HOUSE OF REPRESENTATIVES TWELFTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE FIRST REGULAR SESSION, 2000

THIRTIETH DAY

March 21, 2000

The House of Representatives of the Twelfth Northern Marianas Commonwealth Legislature convened in its Thirtieth Day, First Regular Session, on Tuesday, March 21, 2000, at 10:30 a.m. in the House Chamber, Capitol Hill, Saipan, Commonwealth of the Northern Mariana Islands.

The Honorable Benigno R. Fitial, Speaker of the House, presided.

A moment of silence was observed

In accordance with Rule XIII, \ni 2(a), seventeen members were present and Representative Dino M. Jones was excused.

<u>Speaker Fitial</u>: A quorum is duly constituted for the Thirtieth Day of our First Regular Session. Representative Jones is excused. The secretary just advised me that he is at the hospital.

ADOPTION OF JOURNALS

The Chair recognized the Floor Leader.

<u>Floor Leader Babauta</u>: Mr. Speaker, although the journal has been passed out, but it does not appear on the Order of Business, earlier I requested the members to insert the 27th Day journal for adoption on today's session, and with that, Mr. Speaker, I move for the adoption of the 27th Day journal.

The motion was seconded.

27th Day, First Regular Session (03/17/00)

There was no discussion raised. The motion to adopt the 27th Day, First Regular Session journal was carried by voice vote.

Speaker Fitial: The 27th Day journal is adopted.

INTRODUCTION OF BILLS

H. B. NO. 12-150: A Bill for an Act to amend 4 CMC >81551; and for other purposes.

Offered by: Rep. David M. Apatang and two others

Referred to: Committee on Judiciary and Governmental Operations

H. B. NO. 12-151: A Bill for an Act to establish a Crop Insurance for framers in the Northern Mariana Islands; and for other purposes.

Offered by: Rep. William S. Torres and six others Referred to: Committee on Commerce and Tourism

H. B. NO. 12-152: A Bill for an Act to enact a new Banking Code for the Commonwealth; and for other purposes.

Offered by: Rep. Oscar M. Babauta

Referred to: Committee on Commerce and TourismS

INTRODUCTION OF RESOLUTIONS

H. R. NO. 12-40: A House Resolution to consider Rota Island for the Unkai Distillery Company to establish a Shochu plant.

Offered by: Rep. Alejo M. Mendiola, Jr.

MESSAGES FROM THE GOVERNOR

None

SENATE COMMUNICATIONS

None

HOUSE COMMUNICATIONS

None

COMMUNICATIONS FROM THE JUDICIAL BRANCH

None

COMMUNICATIONS FROM THE RESIDENT REPRESENTATIVE

None

COMMUNICATIONS FROM DEPARTMENTS & AGENCIES

None

OTHER COMMUNICATIONS

None

REPORTS OF STANDING COMMITTEES

The Chair recognized the Floor Leader.

<u>Floor Leader Babauta</u>: Mr. Speaker, Standing Committee Report No. 12-79 just passed out, please can you include that on Item No. 12, and with that, Mr. Speaker, I am ready.

<u>Speaker Fitial</u>: We have Standing Committee Report No. 12-29, is this part of today's agenda? I have just ben informed by the clerk that this Standing Committee Report was referred back to the committee when it was first considered. Now, it is been reported out, so please include that in your Order of Business.

Floor Leader Babauta: So noted.

Speaker Fitial: Okay, acceptance motion, Floor Leader?

<u>Floor Leader Babauta</u>: Thank you, Mr. Speaker. Mr. Speaker, I move for the adoption of the following Standing Committee Report Nos.: 12-76 reference to House Bill No. 12-101; 12-77 reference to House Bill No. 12-11; 12-78 reference to House Bill No. 12-131; 12-79 reference to House Bill No. 12-100; and lastly, Mr. Speaker, 12-29 reference to House Bill Nos. 12-36 and 37.

The motion was seconded.

- S. C. R. NO. 12-76: Reporting on House Bill No. 12-101, entitled, "A Bill for an Act to establish an account for the deposit of ambulance fees; and for other purposes." Your Committee on Health and Welfare recommends that the Bill be passed by the House in the form of H. B. NO. 12-101, House Draft 1.
- S. C. R. NO. 12-77: Reporting on House Bill No. 12-11, entitled, "A Bill for an Act to stimulate the economy of the Northern Mariana Islands through the certain of free trade zones, the creation of tax incentives, and the establishment of a public corporation to administer free trade zones; and for other purposes." Your Committee on Commerce and Tourism recommends that the Bill be passed by the House.
- S. C. R. NO. 12-78: Reporting on House Bill No. 12-131, entitled, "A Bill for an Act to amend 4 CMC ∍1708 to ensure equitable treatment between landowners who receive public land

from the government in exchange for their private land and those who receive cash compensation from the government in exchange for their private land; and for other purposes." Your Committee on Natural Resources recommends that the Bill be passed by the House.

- S. C. R. NO. 12-79: Reporting on House Bill No. 12-100, entitled, "A Bill for an Act to appropriate fund balances from Public Law 11-67; and for other purposes." Your Committee on Ways and Means recommends that the Bill be passed by the House in the form of H. B. NO. 12-100, House Draft 1.
- S. C. R. NO. 12-29: Reporting on House Bill No. 12-36, entitled, "A Bill for an Act to establish an allocation formula for an appropriation of funds to the public schools in the CNMI; and for other purposes.", and House Bill No. 12-27, entitled, "A Bill for an Act to support a Village-Based Education for the CNMI Public School System; and for other purposes." Your Committee on Education recommends that both House Bill Nos. 12-36 and 12-37 be filed by the House.

There was no discussion raised. The motion to adopt Standing Committee Report Nos. 12-76, 12-77, 12-78, 12-79, and 12-29 was carried by voice vote.

Speaker Fitial: Standing Committee Report Nos. 12-76, 12-77, 12-78, 12-79, and 12-29 are adopted.

REPORTS OF SPECIAL AND CONFERENCE COMMITTEES

None

UNFINISHED BUSINESS

None

RESOLUTION CALENDAR

The Chair recognized the Floor Leader.

<u>Floor Leader Babauta</u>: Mr. Speaker, if there is no objection from the members, I would like to recall the House action on House Joint Resolution No. 12-5, Senate Draft 1, that was deliberated on March 17th on the 27th Day of our First Regular Session on the Senate amendment. At the request of the author, Mr. Speaker, I so move to recall the House action on this House Joint Resolution.

The motion was seconded.

<u>Speaker Fitial</u>: Discussion? Can we have a clarification, Floor Leader, be more specific as to the intent of the motion.

<u>Floor Leader Babauta</u>: The motion is to recall the House action on the acceptance of House Joint Resolution No. 12-5, Senate Draft 1.

Rep. Benavente: Privilege, Mr. Speaker.

Speaker Fitial: State your privilege.

<u>Rep. Benavente</u>: Can I ask the Floor Leader to tell us the title of the Joint Resolution and the reason for recalling it so that we don't have to wait and get copies of the Resolution?

Floor Leader Babauta: Sure. Mr. Speaker?

Speaker Fitial: Proceed, Floor Leader.

Floor Leader Babauta: Mr. Speaker, a Joint Resolution to consider Rota for the Unkai Distillery Company to establish a Shochu plant, and the reason is, the Senate made an amendment on page 2, that sort of compel the company to commit itself to pay the entry level of equivalent to the US minimum wage, which the House primarily does not agree with the amendment because the intent was trying to lure fresh investment to the Commonwealth and particularly to the island of Rota, so that is the explanation, Mr. Speaker. So, we are ready, Mr. Speaker, with the motion.

Rep. Benavente: Thank you.

<u>Speaker Fitial</u>: Are you satisfied – well, refer to page 13 of the 27th Day journal and you will see the House Joint Resolution adopted that day after considering the Senate amendment. Okay, we are now voting on the motion to place, to recall – what is the best term here, to recall or receive? – Reconsider – to reconsider the House action on House Joint Resolution No. 12-5, Senate Draft 1.

The motion to reconsider House action on House Joint Resolution No. 12-5, Senate Draft 1, was carried by voice vote.

Speaker Fitial: The motion carries. Floor Leader?

<u>Floor Leader Babauta</u>: Mr. Speaker, if there is no objection, I now move to defer to the proper committee House Joint Resolution No. 12-5, Senate Draft 1.

There was no objection raised.

Speaker Fitial: What would be the proper committee?

Floor Leader Babauta: Federal and Foreign Relations Committee, Mr. Speaker.

<u>Speaker Fitial</u>: House Joint Resolution No. 12-5, Senate Draft 1, is assigned to the Committee on Federal and Foreign Relations (FFR).

<u>Rep. Hofschneider</u>: Privilege, Mr. Speaker, may we applaud the presence of our Mayor and the Chairman of the Council, Mr. Guerrero?

<u>Speaker Fitial</u>: I would also like to include a recognition for my esteem colleague from the Second Legislature, the honorable former Vice Speaker Ben Attao. (Applause) Resolution Calendar, Floor Leader, I think we need to suspend the Rule to consider the Resolution just include by the Vice Speaker.

<u>Floor Leader Babauta</u>: Thank you, Mr. Speaker. If there is no objection, Mr. Speaker, I move to suspend Rule VII, Section 9, for the adoption of – short recess, Mr. Speaker.

Speaker Fitial: Short recess.

The House recessed at 10:50 a.m.

RECESS

The House reconvened at 11:08 a.m.

Speaker Fitial: The House shall reconvene. We are under Resolution Calendar.

Floor Leader Babauta: Mr. Speaker?

Speaker Fitial: Floor Leader?

<u>Floor Leader Babauta</u>: Mr. Speaker, if there is no objection, I move to suspend Rule VII, Section 9 for the adoption of House Resolution No. 12-40.

Rep. Attao: No objection.

Rep. Hofschneider: Second.

<u>Speaker Fitial</u>: Rule VII, Section 9 would place the Resolution on the Calendar without the benefit of a Committee Report. So, we are suspending Rule VII, Section 9, to allow House Resolution No. 12-40 to be placed on today's Resolution Calendar for consideration without a Committee Report.

The motion suspend Rule VII, Section 9, for the placement of House Resolution No. 12-40 on today's Resolution Calendar for action was carried by voice vote.

<u>Speaker Fitial</u>: House Resolution No. 12-40 is now on the Resolution Calendar for consideration. Floor Leader?

<u>Floor Leader Babauta</u>: Mr. Speaker, I now move for the adoption of House Resolution No. 12-40.

The motion was seconded.

H. R. NO. 12-40: A HOUSE RESOLUTION TO CONSIDER ROTA ISLAND FOR THE UNKAI DISTILLERY COMPANY TO ESTABLISH A SHOCHU PLANT.

Speaker Fitial: Discussion?

Rep. Pangelinan: Mr. Speaker?

Speaker Fitial: Representative Pangelinan?

Rep. Pangelinan: Mr. Speaker, I would like to extend my appreciation to the author, the Vice Speaker, for this Resolution. If you go to line 13, this company will be needing one hundred tons of sweat potatoes per month, and this will give the farmers great pleasure of exporting to Rota their sweat potatoes. I am very sure that Mr. Cris Guerrero will be very happy to hear the passage of this Resolution. Thank you.

Floor Leader Babauta: Ready.

<u>Speaker Fitial</u>: Further deliberation? None? We are now voting on the motion to adopt House Resolution No. 12-40.

The motion to adopt House Resolution No. 12-40 was carried by voice vote.

Speaker Fitial: House Resolution No. 12-40 is adopted. Any other resolution on the Calendar?

Floor Leader Babauta: None, Mr. Speaker.

BILL CALENDAR

The Chair recognized the Floor Leader.

<u>Floor Leader Babauta</u>: Mr. Speaker, I move to suspend Rule IX, Sections 9 and 10 for the passage on First and Final Reading House Bill No. 12-101 under Standing Committee Report No. 12-76; House Bill No. 12-11 under Standing Committee Report No. 12-77; House Bill No. 12-131 under Standing Committee Report No. 12-78; and House Bill No. 12-100 under Standing Committee Report No. 12-79.

The motion was seconded and carried by voice vote.

<u>Speaker Fitial</u>: House Bill Nos. 12-101, 12-11, 12-131, and 12-100 are now being placed on today's Order of Business under Bill Calendar for consideration on First and Final Reading. For the passage motion, Floor Leader, recognized.

<u>Floor Leader Babauta</u>: Thank you, Mr. Speaker. Mr. Speaker, I now move for passage on First and Final Reading House Bill No. 12-101.

The motion was seconded.

H. B. NO. 12-101, HD1: A BILL FOR AN ACT TO ESTABLISH AN ACCOUNT FOR THE DEPOSIT OF AMBULANCE FEES; AND FOR OTHER PURPOSES.

There was no discussion raised.

The Clerk called the roll on the motion to pass House Bill No. 12-101, HD1, on First and Final Reading as follows:

Rep. Martin B. Ada	yes
Rep. David M. Apatang	yes
Rep. Jesus T. Attao	yes
Rep. Oscar M. Babauta	yes
Rep. Diego T. Benavente	yes
Rep. Antonio M. Camacho	yes
Rep. Rosiky F. Camacho	yes
Rep. Florencio T. DLGuerrero	yes
Rep. Heinz S. Hofschneider	yes
Rep. Brigida DLG. Ichihara	yes
Rep. Dino M. Jones	excused
Rep. Alejo M. Mendiola, Jr.	yes
Rep. Norman S. Palacios	yes
Rep. Thomas B. Pangelinan	yes
Rep. Maria "Malua" T. Peter	yes
Rep. Stanley T. Torres	yes
Rep. William S. Torres	yes
Speaker Benigno R. Fitial	yes

<u>Speaker Fitial</u>: House Bill No. 12-101, House Draft 1, passes the House on First and Final Reading.

Rep. Attao: Mr. Speaker?

Speaker Fitial: Representative Attao?

Rep. Attao: Thank you, Mr. Speaker. Mr. Speaker, I wish to commend the Chairperson Malua Peter for taking action on such an important Bill that will alleviate funding problem for the Department of Public Safety as well as the Fire Division, so I commend the Chair and also the Committee for the speedy action on such Bill. Thank you.

<u>Speaker Fitial</u>: I just want to clarify the action the House just took on House Bill No. 12-101, it is, "House Bill No. 12-101, House Draft 1". Further Bills on the Calendar, Floor Leader?

<u>Floor Leader Babauta</u>: Mr. Speaker, I move for the passage of House Bill No. 12-11 on First and Final Reading.

The motion was seconded.

H. B. NO. 12-11: A BILL FOR AN ACT TO STIMULATE THE ECONOMY OF THE NORTHERN MARIANA ISLANDS THROUGH THE CERTAIN OF FREE TRADE ZONES, THE CREATION OF TAX INCENTIVES, AND THE ESTABLISHMENT OF A PUBLIC CORPORATION TO ADMINISTER FREE TRADE ZONES; AND FOR OTHER PURPOSES.

There was no discussion raised.

The Clerk called the roll on the motion to pass House Bill No. 12-11 on First and Final Reading as follows:

Rep. Martin B. Ada	yes w/reservation
Rep. David M. Apatang	yes
Rep. Jesus T. Attao	yes
Rep. Oscar M. Babauta	yes
Rep. Diego T. Benavente	yes
Rep. Antonio M. Camacho	yes
Rep. Rosiky F. Camacho	yes
Rep. Florencio T. DLGuerrero	yes
Rep. Heinz S. Hofschneider	yes
Rep. Brigida DLG. Ichihara	yes
Rep. Dino M. Jones	excused
Rep. Alejo M. Mendiola, Jr.	yes
Rep. Norman S. Palacios	yes
Rep. Thomas B. Pangelinan	yes
Rep. Maria "Malua" T. Peter	yes
Rep. Stanley T. Torres	yes
Rep. William S. Torres	yes
Speaker Benigno R. Fitial	yes

<u>Speaker Fitial</u>: House Bill No. 12-11 passes the House on First and Final Reading. Floor Leader?

<u>Floor Leader Babauta</u>: Thank you, Mr. Speaker. Mr. Speaker, I now move for the passage on First and Final Reading House Bill No. 12-131.

The motion was seconded.

H. B. NO. 12-131: A BILL FOR AN ACT TO AMEND 4 CMC €1708 TO ENSURE EQUITABLE TREATMENT BETWEEN LANDOWNERS WHO RECEIVE PUBLIC LAND FROM THE GOVERNMENT IN EXCHANGE FOR THEIR PRIVATE LAND AND THOSE WHO RECEIVE CASH COMPENSATION FROM THE GOVERNMENT IN EXCHANGE FOR THEIR PRIVATE LAND; AND FOR OTHER PURPOSES.

Speaker Fitial: Discussion? Representative Benavente?

Rep. Benavente: Yes, Mr. Speaker. I just want to make it clear to all the members I know it is cleared with the Clerk, but the author of House Bill No. 12-131 is Representative Hofschneider, I try to take it away from him, but it is not mine, it's his.

Speaker Fitial: Ready? Roll call.

The Clerk called the roll on the motion to pass House Bill No. 12-131 on First and Final Reading as follows:

Rep. Martin B. Ada	yes
Rep. David M. Apatang	yes
Rep. Jesus T. Attao	abstained
Rep. Oscar M. Babauta	yes
Rep. Diego T. Benavente	yes
Rep. Antonio M. Camacho	yes
Rep. Rosiky F. Camacho	yes
Rep. Florencio T. DLGuerrero	yes
Rep. Heinz S. Hofschneider	yes
Rep. Brigida DLG. Ichihara	yes
Rep. Dino M. Jones	excused
Rep. Alejo M. Mendiola, Jr.	yes
Rep. Norman S. Palacios	yes
Rep. Thomas B. Pangelinan	yes
Rep. Maria "Malua" T. Peter	yes
Rep. Stanley T. Torres	yes
Rep. William S. Torres	yes
Speaker Benigno R. Fitial	yes

Speaker Fitial: Did you say one member abstained?

Rep. Attao: Conflict of interest, Mr. Speaker.

Speaker Fitial: Do you care to state your conflict?

<u>Rep. Attao</u>: Yes. I am in direct conflict of this Bill, Mr. Speaker, because I am a recipient of the cash compensation on the land exchange.

<u>Speaker Fitial</u>: I wish I was -- House Bill No. 12-131 passes the House on First and Final Reading. Floor Leader?

<u>Floor Leader Babauta</u>: Mr. Speaker, I now move for the passage on First and Final Reading House Bill No. 12-100, House Draft 1.

The motion was seconded.

H. B. NO. 12-100, HD1: A BILL FOR AN ACT TO APPROPRIATE FUND BALANCES FROM PUBLIC LAW 11-67; AND FOR OTHER PURPOSES.

There was no discussion raised.

The Clerk called the roll on the motion to pass House Bill No. 12-100, HD1, on First and Final Reading as follows:

Rep. Martin B. Ada	yes
Rep. David M. Apatang	yes
Rep. Jesus T. Attao	yes
Rep. Oscar M. Babauta	yes
Rep. Diego T. Benavente	yes
Rep. Antonio M. Camacho	yes
Rep. Rosiky F. Camacho	yes
Rep. Florencio T. DLGuerrero	yes
Rep. Heinz S. Hofschneider	yes
Rep. Brigida DLG. Ichihara	yes
Rep. Dino M. Jones	excused
Rep. Alejo M. Mendiola, Jr.	yes
Rep. Norman S. Palacios	yes
Rep. Thomas B. Pangelinan	yes
Rep. Maria "Malua" T. Peter	yes
Rep. Stanley T. Torres	yes
Rep. William S. Torres	yes
Speaker Benigno R. Fitial	yes

<u>Speaker Fitial</u>: House Bill No. 12-100, House Draft 1, passes the House on First and Final Reading. Any more Bill on the Calendar?

Floor Leader Babauta: Mr. Speaker?

Speaker Fitial: Floor Leader?

<u>Floor Leader Babauta</u>: Mr. Speaker, if there is no objection from the members, I wish to recall from the Committee Senate Bill No. 12-51, House Draft 1, under Standing Committee Report No. 12-59 and place it on today's Calendar for action, Mr. Speaker. I so move, Mr. Speaker.

Speaker Fitial: Discussion?

Rep. Hofschneider: Ready on the motion.

Rep. Peter: What is the title?

Floor Leader Babauta: If I may, Mr. Speaker?

Speaker Fitial: Yes, you may.

<u>Floor Leader Babauta</u>: To allow government employees to convert retroactive salary adjustment to vesting credit. This is the one we discussed last week and apparently the counsel had come up with the amendment.

Rep. Peter: Thank you, Mr. Speaker.

Rep. Hofschneider: Clarification.

Speaker Fitial: State your point of clarification.

Rep. Hofschneider: The Chairman, Mr. Speaker, came to me after the session that day and asked if I could put it in writing specifically those two questions that I posed to the members and I don't know if the counsel were ready to provide for the solution on that language. There is ambiguity on that section of the Bill, the prohibition of the employment.

Speaker Fitial: Short recess. Very, very short recess.

The House recessed at 11:23 a.m.

RECESS

The House reconvened at 11:35 a.m.

<u>Speaker Fitial</u>: The House shall reconvene. We are still discussing the motion to recall Senate Bill No. 12-51, House Draft 2, from the Committee.

Rep. Hofschneider: Ready.

The motion to recall from the Committee Senate Bill No. 12-51, House Draft 2, was carried by voice vote.

<u>Speaker Fitial</u>: The motion carries. We have Senate Bill No. 12-51, House Draft 2, on today's Bill Calendar. Floor Leader?

<u>Floor Leader Babauta</u>: Thank you, Mr. Speaker. Mr. Speaker, I move to suspend Rule IX, Sections 9 and 10, since all the members have copies of House Draft 2, for the passage on First and Final Reading Senate Bill No. 12-51, House Draft 2.

The motion was seconded.

Speaker Fitial: Discussion? Representative Peter?

Rep. Peter: Mr. Speaker, just a clarification, on page 2, the title, it is Senate Bill No. 12-41, is that a typo error?

Floor Leader Babauta: Mr. Speaker, clarification, suspension motion on First and Final Reading.

The motion to suspend Rule IX, Sections 9 and 10 for the passage on First and Final Reading Senate Bill No. 12-51, House Draft 2, was carried by voice vote.

Speaker Fitial: The motion carries. Floor Leader?

<u>Floor Leader Babauta</u>: Thank you, Mr. Speaker. Mr. Speaker, I now move for the passage on First and Final Reading Senate Bill No. 12-51, House Draft 2.

The motion was seconded.

S. B. NO. 12-51: A BILL FOR AN ACT TO ALLOW A GOVERNMENT EMPLOYEE TO CONVERT P.L 7-31 RETROACTIVE SALARY ADJUSTMENT TO VESTING CREDIT SERVICE; AND FOR OTHER PURPOSES.

<u>Speaker Fitial</u>: Discussion on the passage motion, Representative Peter?

Rep. Peter: Thank you, Mr. Speaker. Page 1 of the Bill, the title is "Senate Bill No. 12-51, HD2", and on the second page it says, "Senate Bill No. 12-41, HD2", it is just a typo error?

Speaker Fitial: It better be.

Rep. Peter: Thank you.

Speaker Fitial: Representative Apatang?

<u>Rep. Apatang</u>: Mr. Speaker, just for clarification, if this Bill passed and becomes law, what will be the effect for those people who have already retired, where those people will be given the opportunity to add additional service to their current retirement years?

Speaker Fitial: I think that is a legal question? Short recess.

The House recessed at 11:38 a.m.

RECESS

The House recessed at 11:45 a.m.

<u>Speaker Fitial</u>: The House shall reconvene. We are still discussing the passage motion on Senate Bill No. 12-51, House Draft 2.

Floor Leader Babauta: Mr. Speaker?

Speaker Fitial: Floor Leader?

<u>Floor Leader Babauta</u>: Mr. Speaker, since copies have been passed out on the same subject, I now wish to offer a substitute on Senate Bill No. 12-51 as House Substitute 1.

The motion was seconded.

TWELFTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

FIRST REGULAR SESSION, 2000

S. B. NO.12-51, H.S.1

A BILL FOR AN ACT

To allow a government employee to convert P.L. 7-31 retroactive salary adjustment to vesting credit service; and for other purposes.

BE IT ENACTED BY THE TWELFTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE:

Section 1. Findings and Purpose. The Legislature finds that P.L. 7-31 mandated an adjusted salary schedule for all civil service classified personnel. Further, P.L. 7-31, § 4 provided that the salary schedule would be retroactive to and based upon the pay level assigned to all positions on May 19, 1991. The Legislature finds that to date many civil service classified personnel have not been provided such retroactive compensation due to the lack of appropriated funding for such purpose. The Legislature finds that public finances are presently in a dire state and that the Commonwealth again lacks the necessary funding to meet the requirement of P.L. 7-31. Therefore, it is the purpose of this Act to provide for the conversion of the unpaid retroactive salary increases to an equivalent amount of service time for purposes of retirement eligibility.

Section 2. <u>Conversion</u>. Any employee of the Commonwealth government who is entitled to retroactive compensation pursuant to P.L. 7-31, § 4 but has not received such monetary remuneration may elect to convert such compensation into the equivalent number of hours calculated at the hourly rate earned by the employee upon the effective date of P.L. 7-31 as vesting service credit for retirement purposes. Further, any employee who after being receiving such vesting service credit meets the criteria for the early retirement bonus pursuant to 1 CMC §§ 8401 and 8403 prior to the effective date of Public Law 11-114, has 90 days from the effective date of this act or upon the certification of the number of converted hours for each such employee by the Director of the Office of Personnel Management, whichever occurs later, to elect to retire from the government service and be paid such early retirement bonus pursuant to the terms of Public Law 11-114.

Section 3. <u>Re employment prohibited</u>. Any employee electing to convert unpaid retroactive compensation due under P.L. 7-31 is hereby prohibited from re employment pursuant to 1 CMC § 8402(b), (d), and (e).

Section 4-3. Severability. If any provision of this Act or the application of any such provision to any person or circumstance should be held invalid by a court of competent jurisdiction, the remainder of this Act or the application of its provisions to persons or circumstances other than those to which it is held invalid shall not be affected thereby.

Section 5 <u>4</u>. <u>Savings Clause</u>. This Act and any repealer contained herein shall not be construed as affecting any existing right acquired under contract or acquired under statutes repealed or under any rule, regulation or order adopted under the statutes. Repealers contained in this Act shall not affect any proceeding instituted under or pursuant to prior law. The enactment of this Act shall not have the effect of terminating, or in any way modifying, any liability, civil or criminal, which shall already be in existence at the date this Act becomes effective.

Section 6 5. <u>Effective Date</u>. This Act shall take effect upon its approval by the Governor or upon its becoming law without such approval.

Date: <u>02/23/2000</u> Introduced By:/s/Sen. Joaquin G. Adriano

There was no discussion raised. The motion to adopt the Floor Amendment offered by Floor Leader Babauta was carried by voice vote.

<u>Speaker Fitial</u>: The motion carries. Now, we are back to the main motion to pass Senate Bill No. 12-51, House Substitute 1. Roll call.

The Clerk called the roll on the motion to pass Senate Bill No. 12-51, HS1, on First and Final Reading as follows:

Rep. David M. Apatang Rep. Jesus T. Attao Rep. Oscar M. Babauta Rep. Diego T. Benavente Rep. Antonio M. Camacho yes yes	
Rep. Oscar M. Babauta yes Rep. Diego T. Benavente yes	
Rep. Diego T. Benavente yes	
1 5	
Rep. Antonio M. Camacho yes	
Rep. Rosiky F. Camacho yes	
Rep. Florencio T. DLGuerrero yes	
Rep. Heinz S. Hofschneider yes	
Rep. Brigida DLG. Ichihara yes	
Rep. Dino M. Jones excu	sed
Rep. Alejo M. Mendiola, Jr. yes	
Rep. Norman S. Palacios yes	
Rep. Thomas B. Pangelinan yes	
Rep. Maria "Malua" T. Peter yes	
Rep. Stanley T. Torres yes	
Rep. William S. Torres yes	
Speaker Benigno R. Fitial yes	

<u>Speaker Fitial</u>: Senate Bill No. 12-51, House Substitute 1, passes the House on First and Final Reading.

Floor Leader Babauta: Mr. Speaker?

Speaker Fitial: Floor Leader?

<u>Floor Leader Babauta</u>: Mr. Speaker, if there is no objection from the members, can we go back to Item No. 4, Introduction of Resolution so that Representative Lee Torres can introduce a Resolution?

There was no objection raised.

Speaker Fitial: So ordered.

INTRODUCTION OF RESOLUTIONS

H. R. NO. 12-41: A House Resolution to honor and commend Mr. Roger Francis Brady upon his retirement from the CNMI Public School System after twenty-one years of dedicated and excellent service to the students of Marianas High School.

Offered by: Rep. William S. Torres and one other

Speaker Fitial: Just for introduction or you want this Resolution to be considered today?

Rep. W. Torres: I so move if there is no objection.

There was no objection raised.

Speaker Fitial: We need to go in recess for copies. Short recess.

The House recessed at 11:49 a.m.

RECESS

The House reconvened at 11:53 a.m.

RESOLUTION CALENDAR

<u>Speaker Fitial</u>: The House shall reconvene. Floor Leader, can you effectuate a suspension motion?

<u>Floor Leader Babauta</u>: Mr. Speaker, thank you. Mr. Speaker, I move for the suspension of House Resolution No. 12-41 on today's Resolution Calendar.

The motion was seconded and carried by voice vote.

<u>Speaker Fitial</u>: We now have House Resolution No. 12-41 in today's Resolution Calendar for consideration. Adoption motion, Floor Leader?

Floor Leader Babauta: Mr. Speaker, I move for the adoption of House Resolution No. 12-41.

The motion was seconded

H. R. NO. 12-41: A HOUSE RESOLUTION TO HONOR AND COMMEND MR. ROGER FRANCIS BRADY UPON HIS RETIREMENT FROM THE CNMI PUBLIC SCHOOL SYSTEM AFTER TWENTY-ONE YEARS OF DEDICATED AND EXCELLENT SERVICE TO THE STUDENTS OF MARIANAS HIGH SCHOOL.

There was no discussion raised. The motion to adopt House Resolution No. 12-41 was carried by voice vote.

Speaker Fitial: House Resolution No. 12-41 is adopted.

BILL CALENDAR

The Chair recognized the Floor Leader.

<u>Floor Leader Babauta</u>: Thank you, Mr. Speaker. Mr. Speaker, I now move for the passage on First and Final Reading House Bill No. 12-1, Committee Substitute 1.

The motion was seconded.

H. B. NO. 12-1, CS1: A BILL FOR AN ACT TO MAKE APPROPRIATIONS FOR THE OPERATIONS AND ACTIVITIES OF THE GOVERNMENT OF THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS, IT S AGENCIES, INSTRUMENTALITIES, AND INDEPENDENT PROGRAMS, AND TO PROVIDE BUDGET AUTHORITY FOR GOVERNMENT CORPORATIONS FOR FISCAL YEAR 2000; AND FOR OTHER PURPOSES.

<u>Speaker Fitial</u>: Discussion on the passage motion?

Rep. Benavente: Mr. Speaker?

Speaker Fitial: Representative Benavente?

<u>Rep. Benavente</u>: Are we referring to the same Bill that was passed out? I thought we are running a new copy of the budget. We haven't receive a new copy, are we going to refer to the same Bill?

Rep. A. Camacho: Mr. Speaker, when we recessed last session, Representative Attao found out that we exceed the Legislative Appropriation so we come back and reflect the \$155,000 per member and the left amount we just move it over to the Man Hoben, the Museum, and other programs. That is the thing that the amendment – actually, this is the only way we can make a floor amendment to reflect those.

<u>Speaker Fitial</u>: I think that floor amendment is necessary. If we do not offer that floor amendment then we will be discussing the same Bill that we discussed last session. So, are you prepared to offer the floor amendment at this time?

Rep. A. Camacho: May we recess and I'll just note it down?

Vice Speaker Mendiola: Mr. Speaker, I believe we are on Committee Substitute 2.

<u>Speaker Fitial</u>: No, during last session it was Committee Substitute 1. So the motion as it stands now is to adopt the budget as it was reported out last session, Committee Substitute 1. Now, the Chairman is prepared to offer an amendment to Committee Substitute 1, so do you want to offer it on the floor or --?

Rep. A. Camacho: Can we have a short recess, Mr. Speaker?

Speaker Fitial: Short recess.

The House recessed at 11:56 a.m.

RECESS

The House reconvened at 12:20 p.m.

<u>Speaker Fitial</u>: The House shall reconvene. We are still discussing the motion to pass House Bill No. 12-1, Committee Substitute 1, on First and Final Reading. Further discussion? Floor Leader?

Floor Leader Babauta: I believe the original motion was the passage on Committee Substitute 1.

Speaker Fitial: That is correct.

<u>Floor Leader Babauta</u>: If the author, Mr. Speaker, wish for me to offer the amendment –

<u>Speaker Fitial</u>: That is the reason we went on recess because the author wants to conform his amendment.

Floor Leader Babauta: Mr. Speaker?

Speaker Fitial: Recognized.

<u>Floor Leader Babauta</u>: Mr. Speaker, I wish to offer an amendment on House Bill No. 12-1, Committee Substitute 2.

The motion was seconded.

TWELFTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

H. B. NO. 12-001,CS 2

FIRST REGULAR SESSION, 2000

A BILL FOR AN ACT

To make appropriations for the operations and activities of the Government of the Commonwealth of the Northern Mariana Islands, its agencies, instrumentalities, and independent programs, and to provide budget authority for Government Corporations for Fiscal Year 2000; and for other purposes.

BE IT ENACTED BY THE TWELFTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE:

Section 101. <u>Short Title</u>. This Act may be cited as the "Appropriations and Budget Authority Act of 2000."

Section 102. <u>Purpose</u>. This Act appropriates local funds for the operations and activities of the Government of the Northern Mariana Islands, its agencies, instrumentalities, independent agencies and political subdivisions, and provides authority for government corporations for Fiscal Year 2000 commencing October 1, 1999 and ending September 30, 2000.

Section 103. Definitions. As used in this Act:

- (a) Government of the Commonwealth of the Northern Mariana Islands includes:
- (1) Legislative Branch, which includes the following:
- (A) Senate
- (B) House of Representatives
- (C)

Legislative Bureau

(D)

Northern Marianas Youth Congress

- (2) Judiciary Branch, which includes the following:
- (A) Supreme Court
- (B) Superior Court
 - (1) Family Court
- (C) Law Revision Commission
- (3) Executive Branch, which includes the following departments and offices:
- (A) Office of the Governor
- (B) Office of the Attorney General
- (C) Department of Community and Cultural Affairs
- (D) Department of Commerce
- (E) Department of Labor and Immigration
- (F) Department of Public Safety
- (G) Department of Finance
- (H) Department of Public Health Services
- (I) Department of Lands and Natural Resources
- (J) Department of Public Works
- (K) Office of Personnel Management
- (L) Public Defender
- (4) Office of the Resident Representative to the United States
- (5) First Senatorial District (the Senatorial district of Rota) which includes the following government offices and resident departments:
 - (A) Office of the Mayor
 - (B) Office of the Municipal Council
 - (C) Resident Department of Labor and Immigration
 - (D) Resident Department of Community and Cultural Affairs
 - (E) Resident Department of Commerce
 - (F) Resident Department of Public Safety
 - (G) Resident Department of Finance
 - (H) Resident Department of Public Health
 - (I) Resident Department of Land and Natural Resources
 - (J) Resident Department of Public Works
 - (K) Office of Personnel
- (6) Second Senatorial District (the senatorial district of Tinian and Aguiguan) which includes the following governmental offices and resident departments:
 - (A) Office of the Mayor
 - (B) Office of the Municipal Council
 - (C) Resident Department of Labor and Immigration
 - (D) Resident Department of Community and Culture Affairs
 - (E) Resident Department of Commerce
 - (F) Resident Department of Public Safety
 - (G) Resident Department of Finance
 - (H) Resident Department of Public Health

- (I) Resident Department of Land and Natural Resources
- (J) Resident Department of Public Works
- (K) Office of Personnel
- (7) Third Senatorial District (Senatorial District of Saipan and the Northern Islands) which includes the following governmental offices:
 - (A) Mayor of Saipan
 - (B) Mayor of the Northern Islands
 - (C) Saipan Municipal Council
- (8) All government corporations, as defined in 1 CMC § 7103(n), for which budget authority is herein provided including the following:
- (A) Commonwealth Utilities Corporation
- (B) Mariana Islands Housing Corporation
- (C) Commonwealth Ports Authority
- (D) Commonwealth Development Authority
- (E) Northern Marianas Retirement Fund
- (F) Marianas Public Land Trust
- (G) Public Auditor's Office
- (H) Marianas Visitors Authority
 - (9) All other public and quasi-public entities, boards or commissions incorporated or established pursuant to the Commonwealth Constitution or Commonwealth law and including the following agencies and instrumentalities;
 - (A) Public School System
 - (B) Alcoholic Beverage Control Board
 - (C) Board of Elections
 - (D) Board of Parole
 - (E) Board of Professional Licensing
 - (F) Chamorro and Carolinian Language Commission
 - (G) Civil Service Commission
 - (H) Northern Marianas College
 - (I) Worker's Compensation Commission
 - (b) "Independent programs" means government programs under separate boards established by law (unless receiving appropriations or budget authority under another heading), specialized general items of appropriations, and those non-profit corporations and associations or organizations established outside of the Government of the Commonwealth of the Northern Mariana Islands to which the Commonwealth Government provides financial assistance such as the:
 - (1) Agricultural Fair
 - (2) American Red Cross, CNMI Chapter
 - (3) Saipan Football League
 - (4) Government Utilities
 - (5) Special Annuity for Gov./ Lt. Gov.
 - (6) Covenant Section 902 Consultation
 - (7) Deficit Reduction
 - (8) Developmental Disabilities Planning Agency
 - (9) Joeten/Kiyu Public Library
 - (10) Marianas Bound (Karidat)
 - (11) Micronesian Legal Services Corporation
 - (12) Nat'l Conf. Of State Legislature
 - (13) National Governors Association
 - NMI Occupational Infor. Coord. Comm.
 - (15) NM Protection & Advocacy Program

(14)

- (16 Pacific Basin Development Council
- (17) East West Center

- (18) Public Assistance Program Matching Fund
- (19) South Pacific Commission / PREL
- (20) CNMI Youth Congress
- (21) Retirement PL 11-25 (Poker)
- (22) Tax Task Force
- (23) Retirement (PL 8-31)
- (24) CNMI Boy Scouts
- (25) CNMI Girl Scouts
- (26) Little League Baseball Saipan
- (27) Little League Baseball Rota
- (28) Little League Baseball Tinian
- (29) Claims against Judgments
- (30) Flame Tree Arts Festival
- Close-up Foundation
- (32) Street Naming Commission
- (33) Ayuda Network
 - (34) Custom's/User Fee
 - (35) Pacific Islands Development Bank Manhoben Center (San Antonio)
 - (37) Commonwealth Museum
 - (38) PCB
 - (39) Domestic Violence
 - (40) Humanities Council
 - (41) APPU
 - (42) Cops Universal Hiring Program
 - (43) Neighborhood Watch Program
 - (44) Council of State Government
- (45) Youth Learning Center
- (46) Saipan Softball Association
 - (47) CARLA
- (48)

(31)

(36)

(49) Annual Leave Lump-Sum payment

30% Bonus

- (c) "Local funds" means locally generated revenues and revenues received pursuant to Section 702(a) of the Covenant.
 - (d) "Operations" means appropriations for all lawful activities other than personnel.
- (e) "Personnel" means appropriations for the salaries, employer's contribution to the Northern Marianas Retirement Fund, overtime, night differential, hazardous pay and other employee wages and benefits.
- (f) "Position" or "Full Time Equivalent" (FTE) means the maximum number of persons that may be employed, pursuant to Article X, Section 7 of the Commonwealth Constitution but does not include Job Training Partnership Act (JTPA) trainees, substitute teachers, summer trainees, teacher aides, physicians, licensed professional nurses and licensed allied health providers working part-time and paid only for instructional time, student teacher trainees, or short-term specialized instructors, such as visiting artists, performers, writers, and the like. For purposes of this exception, "part-time" means employment not exceeding 40 hours in any biweekly pay period, and "short-term" means not more than 90 instructional days employment within the Public School System during the fiscal year.

CHAPTER II. ESTIMATED REVENUES

Section 201. Estimated Revenues.

a) Local Funds:

1) Internal Revenue

\$ 204,553,119

2) Covenant Funds (Operations)

-0-

3) Non-Resident Workers Fee Fund

(Public Law 10-66and10-1) \$ 2,428,148 4) Division of Public Lands \$ 4,163,300

b) Total Local Revenue and Resources available

for Fiscal Year 2000 (per Governor's Communication

No. 11-429 dated 4/1/99 and revised pursuant to

Governor's Communication 11-534 dated 7/1/99) \$\frac{\$211,144,567}{}\$

CHAPTER III. APPROPRIATIONS

Section 301. <u>Appropriations for all Activities of the Government of the Northern Mariana Islands</u>. Funds for the programs and activities of the Government of the Commonwealth of the Northern Mariana Islands, are hereby appropriated as per the attached appropriation worksheets, which are incorporated by reference in this Act. The FTEs identified therein are the maximum number of positions approved and authorized and shall not exceed such number unless authorized in accordance with Article X, Section 7 of the Commonwealth Constitution.

CHAPTER IV. - BUDGET ADOPTION

Section 401. <u>Government Corporations</u>. Pursuant to 1 CMC § 7206, budget authority for the following activities is hereby approved. Expenditures in excess of the budget authority approved herein for agencies to which public funds are appropriated shall not be incurred or committed, and FTE ceilings approved shall not be exceeded without specific approval of the Legislature by joint resolution in accordance with Article X, Section 7 of the Commonwealth Constitution.

	ACTIVITIES		FTE PERS	ONNEL OPER	<u>ATIONS</u>	TOTAL
1.	CUC	407	15,000,354	50,945,539	65,935,893	
2.	CPA	247	8,005,220	2,391,388	10,386,608	
3.	CDA	15	952,346	910,000	1,862,346	
4.	NMRF	28	1,221,200	33,617,200	34,838,400	
5.	NM Housing					
	Corp. (MIHA)	18	900,009	1,294,847	2,194,856	
6.	OPA	39	1,681,000	477,100	2,158,100	
Grand 7	Γotal:	<u>754</u>	27,760,129	89,616,074	117,376,203	

CHAPTER V. ADMINISTRATION OF APPROPRIATED FUNDS

Section 501. <u>Allotments</u>. The funds appropriated under Chapter III of this Act shall be distributed and allotted by the Office of Management and Budget in accordance with the expenditure Class Codes approved in the individual activities' budget worksheets which are attached hereto. The Funds appropriated shall be allotted at the beginning of each quarter to each budget activity at a rate of twenty-five percent (25%) of the amount appropriated, except:

- (a) Quarterly Allotments in Excess of Twenty-Five Percent (25%). The following governmental officials may approve a quarterly allotment in excess of the twenty-five percent (25%) of the total approved operation budget, and the Office of Management and Budget shall authorize the allotment to the expenditure authority consistent with the nature and need of the activity:
 - (1) The Speaker of the House in the case of the House of Representatives;
 - (2) The President of the Senate in the case of the Senate;
- (3) The Director of the Legislative Bureau, with the concurrence of the Speaker of the House of Representatives and the President of the Senate, in the case of the Legislative Bureau;
 - (4) The Chief Justice of the Supreme Court in the case of the Supreme Court.
 - (5) The Presiding Judge of the Superior Court in the case of Superior Court.
 - (6) The Governor in the case of the Executive Branch;
- (7) The Resident Representative in the case of the Office of the Resident Representative to the United States;
- (8) The President of the College, with the written approval of the Chairman of the Board of Regents, in the case of the Northern Marianas College;

- (9) The Commissioner of Education, with the written approval of the Chairman of the Board of Education, in the case of the Public School System.

 In the event allotments greater than 25% are approved, allotments in subsequent quarters shall be reduced below 25% to the extent necessary so that total allotments do not exceed 100%.
- (b) Nothing in this section shall be construed as modifying, limiting, or otherwise affecting the authority of the Governor pursuant to Chapter 6 of Division 7 of Title 1 of the Commonwealth Code.

Section 502. Appropriation Worksheets.

- (a) Unless otherwise provided in this Act, the funds appropriated pursuant to Section 301 hereof shall be expended in compliance with the appropriation worksheets attached hereto and incorporated by reference herein, and in accordance with the fiscal authority the listed agencies have pursuant to statute and the administrative provisions of this Act. In case of any conflict between the attached worksheets and the administrative provisions of this Act, the administrative provisions shall prevail.
- (b) The budget worksheets contained in the Governor's budget submission to the Legislature have no force or effect as law. The Special Assistant for Management and Budget and the Office of Management and Budget, and the Director of Personnel and the Office of Personnel Management, are without authority to grant, withhold, or condition any approval or allotment based on those worksheets or any other source other than this Act and other applicable law. All personnel actions, including but not limited to new hires, transfers, promotions, and pay increases, shall be made in compliance with the Civil Service Act and regulations and other applicable law concerning public employment and personnel management for the Commonwealth Government.

Section 503. <u>Custom's/User's Fee.</u> Notwithstanding any other provision of law, the \$526,213 that is appropriated by this Act for operations of the Custom's/User Fee, is appropriated for the sole purpose of the customs services operations, through, but not limited to the recruitment of additional personnel, payment of overtime, training of personnel, purchase of additional office equipment and other law enforcement needs. Expenditure authority shall rest with the Secretary of Finance with consultation of the Director of Customs. Notwithstanding section 509, no reprogramming of funds appropriated under this section is authorized.

Section 504. Enforcement of Employment Ceilings. No person may be hired on a temporary, part-time, probationary, provisional, permanent, or other basis unless a vacant FTE exists for that person or the position filled is of a type specifically exempted by this Act consistent with Article X, Section 7 of the Commonwealth Constitution. For purposes of this section, the term "vacant" includes new FTEs. In addition to any other penalties or remedies as may be provided by law, any person who hires or approves the hiring of any person, in violation of this provision, shall be personally liable for the costs of employment of the person hired illegally, together with reasonable costs and attorneys fees in any action brought by any taxpayer to recover on behalf of the Commonwealth monies improperly spent (which spending is hereby declared as not for a public purpose) as a result of such illegal hiring. A right of action is hereby created in every Commonwealth taxpayer to enforce this section, as a supplement to all other rights and remedies as may already exist at law or in equity. Sections 301 and 401 of this act are specifically made subject to this section.

Section 505. <u>Legislative Budget Authority</u>.

- (a) Expenditure authority for funds appropriated for salaries of members of the Legislature (total personnel funds under "Senate" and "House of Representatives" in the budget worksheets) is vested in the Secretary of Finance. Such funds shall not be reprogrammed.
- (b) In accordance with Article II, § 16(b) of the Commonwealth Constitution, as amended by Legislative Initiative 10-8, the funds appropriated under object class code 62060 (Professional Services) for the House of Representatives shall be allocated equally among the eighteen (18) members of the House of Representatives. Members may voluntarily pool all or part of these funds. Expenditure authority for the funds so appropriated is vested in the individual members of the House of Representatives or designees pursuant to a pooling agreement. Such

funds may be expended for any lawful purpose notwithstanding the object code classification but shall not be reprogrammed for expenditure other than as provided in this subsection.

- (c) In accordance with Article II, § 16(b) of the Commonwealth Constitution, as amended by Legislative Initiative 10-8, the funds appropriated under object class code 62060 for the Senate shall be allocated equally among the nine (9) members of the Senate. Members may voluntarily pool all or part of these funds. Expenditure authority for the funds so appropriated is vested in the individual members of the Senate or designees pursuant to a pooling agreement. Such funds may be expended for any lawful purpose notwithstanding the object code classification but shall not be reprogrammed for expenditure other than as provided in this subsection.
- (d) Expenditure authority for the funds appropriated under object class code 62840 for the House of Representatives is vested in the Speaker of the House of Representatives. In accordance with Article II, § 16(c) of the Commonwealth Constitution, as amended by Legislative Initiative 10-8, the Speaker shall distribute a portion of such amount equally among the standing committees of the House of Representatives for their operations and activities, and may make one or more such distributions during the course of the fiscal year. Expenditure authority for funds distributed to standing committees pursuant to this subsection shall be vested in the chairpersons of the respective standing committees. Such funds may be expended for any lawful purpose notwithstanding the object code classification but shall not be reprogrammed for expenditure other than as provided in this subsection.
- (e) Expenditure authority for the funds appropriated under object class code 62840 for the Senate is vested in the President of the Senate. In accordance with Article II, § 16(c) of the Commonwealth Constitution, as amended by Legislative Initiative 10-8, the President shall distribute a portion of such amount equally among the standing committees of the Senate for their operations and activities, and may make one or more such distributions during the course of the fiscal year. Expenditure authority for funds distributed to standing committees pursuant to this subsection shall be vested in the chairperson of the respective standing committees. Such funds may be expended for any lawful purpose notwithstanding the object code classification but shall not be reprogrammed for expenditure other than as provided in this subsection.
- (f) Expenditure authority for funds appropriated to the Legislative Bureau is vested in the Director of the Legislative Bureau. With the written concurrence of the President of the Senate and the Speaker of the House of Representatives, the Director of the Legislative Bureau may reprogram funds appropriated to the Bureau without any limitation other than that imposed by 1 CMC \S 7402(c)(3). Funds appropriated to the Legislative Bureau shall not be expended or reprogrammed other than for the activities and operations of the Legislative Bureau.
- (g) Expenditure authority for the funds appropriated for retirement benefits contribution for the Legislative Branch is vested in the Secretary of Finance. Such funds shall not be reprogrammed.
- (h) <u>Limitations on Expenditures</u>. In accordance with Legislative Initiative 10-8, no part of the appropriations for the legislature or the legislative bureau, other than a member's salary, may be used for personal or political activities. The Legislative Bureau shall not purchase, rent, or lease vehicles for the use of individual members of the legislature or their offices. The Legislative Bureau shall not defray travel expenses of individual members of the legislature or their personal staff, except as approved by joint resolution of the legislature.
- (i) Employment Ceilings. Pursuant to Article X, § 7 of the Commonwealth Constitution, the following employment ceilings are hereby established with respect to the funds appropriated to the legislative branch by this Act. Each member of the legislature may have not more than ten (10) employees paid from funds expended pursuant to subsections (b) and (c) of this section. Not more than an additional twenty (20) employees may be paid from funds expended pursuant to subsection (d) and an additional twenty (20) employees from funds expended pursuant to subsection (e), with these employment ceilings distributed as the Speaker of the House and the President of the Senate, respectively, may specify. The Legislative Bureau

may have not more than thirty-five (35) employees paid from funds expended pursuant to subsection (f).

Section 506. <u>Legislative Staff Exemption</u>. Legislative staff employed by individual legislators may be compensated out of each legislator's allotment share, or out of any joint account established by several legislators, pursuant to Section 505 (b) or (c) of this Act. The restriction on reprogramming from operations to personnel pursuant to 1 CMC Section 7402(c)(3) shall not be applicable to the personnel costs associated with employing such staff or staff paid from accounts established pursuant to Section 505 (d) or (e) of this Act. 1 CMC § 1272 shall not apply with respect to employment funded by this Act or continuing budget authority based on this Act.

Section 507. Expenditure of Appropriated Funds. The funds appropriated pursuant to this Act shall be expended by the expenditure authority provided in 1 CMC § 7401(a) (b), (c)(4) and (d) through (r), and 3 CMC § 1323(c) except as provided below:

- (a) The Mayor and the Chairpersons of the Municipal Councils of the respective Senatorial Districts shall have the expenditure authority for appropriations for their respective offices. Each Municipal Council Chairperson shall allocate, and provide for the expenditure of, the funds appropriated to the Council in accordance with the Official Rules of the Council. Additionally, in accord with the Superior Court's decision in the case of Inos v. Tenorio, the Mayors shall also have expenditure authority over resident government departments in the First and Second senatorial districts respectively unless the Governor revokes expenditure authority in a manner consistent with the Superior Court's holdings in Inos v. Tenorio, to wit: expenditure authority over resident departments that are primarily concerned with the delivery of public services can be revoked only on a prior showing of just cause, but the Governor has discretion to revoke expenditure authority over those departments that are primarily concerned with enforcing the law; Provided, that such expenditure authority shall be modified, extended, or canceled in any manner as the CNMI Supreme Court may subsequently direct in a decision in this case.
- (b) For the Covenant Section 902 Consultations, expenditure authority is vested in the Chairman of the Special Representatives to the 902 Consultations.
- (c) For the Ground Water Management and Protection Act Fund, expenditure authority is vested in the Chief of the Division of Environmental Quality.
- (d) For the CNMI Flame Tree Arts Festival, expenditure authority is vested in the Executive Director of the Commonwealth Council for Arts and Culture.
- (e) For the Junior Reserve Officer Training Corps (JROTC), expenditure authority is vested in the Commissioner of Education or her designee.
- (f) For the NM Protection and Advocacy Program, expenditure authority is vested in the Chairman of the Board of Directors or his/her designee.
- (g) For the CNMI Youth Congress, the expenditure authority is vested in the Speaker of the CNMI Youth Congress with the concurrence of the Director of the Legislative Bureau.
- (h) For the APIL, the expenditure authority is vested in the Secretary of the Department of Finance.
- (i) For the APPU, the expenditure authority is vested in the Secretary of the Department of Finance.
- (j) For the Developmental Disabilities Planning Agency, the expenditure authority is vested in the Executive Director of the Agency.
- (k) For the Marianas Bound (KARIDAT), the expenditure authority is vested in the Chairman of the Board of Directors.
- (1) For the Micronesian Legal Services Corporation, the expenditure authority is vested in the Executive Director of the Micronesian Legal Services Corporation.
- (m) For the Ayuda Network, the expenditure authority is vested in the Chairman of the Board of Directors.
- (n) For all government agencies receiving appropriated funds for personnel or staff housing, administrative authority over housing and expenditure authority over housing funds,

including but not limited to approval of lease agreements, is vested in the appropriate agency officials designated by law as having expenditure authority.

- (o) For the Manila Liaison Office in the Philippines, expenditure authority is vested in the Governor.
- (p) For the air and sea vessel charters to the Northern Islands, expenditure authority is vested in the Mayor of the Northern Islands.
- (q) For Tinian Little League, the expenditure authority is vested in the Resident Director of Community and Cultural Affairs.
- (r) For Rota Little League, the expenditure authority is vested in the Resident Director of Community and Cultural Affairs.
- (s) For Saipan Little League, the expenditure authority is vested in the CNMI Little League District Administrator.
- (t) For the Tax Task Force, the expenditure authority is vested in the Chairman of the Tax Task Force.
- (u) For Saipan Softball Association, the expenditure authority is vested with the President for the Saipan Softball Association.
 - (v) For the Cops Universal Hiring Program, the expenditure authority is vested in the Commissioner of Public Safety with the concurrence of the Director of Criminal Justice Planning Agency.
 - (w) For Section 103 (b) Independent Program Nos. 1, 2, 5, 7, 12, 15, 16, 21, 22, 36, and 41, as identified on the Summary of Appropriations worksheets, expenditure authority is vested in the Secretary of the Department of Finance.
 - (x) For the Food and Nutrition, expenditure authority is vested in the Secretary of Public Health with the concurrence of the Chairman of CNMI Food and Nutritional Council.
- (y) For the EEZ, expenditure authority is vested in the Secretary of Lands and Natural Resources.
- (z) For the Public Assistance Program on Matching Fund, expenditure authority shall be the Governor or his designee.
 - (aa) For the Joeten-Kiyu Public Library, expenditure authority is vested in the administrative librarian duly appointed pursuant to 3 CMC § 1505(j) and in the chairperson of the Commonwealth Library Council, to such extent as the Council shall determine subsequent to the effective date of this Act.
 - (bb) For the Commonwealth Museum, expenditure authority is vested in the chairperson of the Board of Governors of the Commonwealth Museum or designee, notwithstanding 2 CMC \S 4880.
 - (cc) For the Board of Education, expenditure authority is vested in the chairperson of the Board of Education. Expenditure authority for funds appropriated for operations for each public school is vested in the principal of the public school, subject to expenditure guidelines not inconsistent with this act to be promulgated by the Board of Education. Expenditure authority for all other funds appropriated to the Public School System is vested in the Commissioner of Education or designee. Pursuant to the constitutional autonomy of the Public School System mandated by Article XV, Section 1(b) and (c) of the Commonwealth Constitution and notwithstanding subsection (a) of this section, the provisions of this subsection apply in all senatorial districts. The Department of Finance shall disburse on a monthly basis funds in equal installments as appropriated to the Public School System.
 - (dd) (1) For PCB, expenditure authority is vested in the Secretary of Health. Funds shall be available with out fiscal year limitation.
 - (2) Notwithstanding any other provision of this act, the Secretary of Health Services shall pay a reasonable housing allowance from the medical referral account, not less than fifty dollars (\$50) per day, to a medical patient referred from other than the Third Senatorial District to the Third Senatorial District, upon unavailability of government quarters designated for such patients. This allowance shall be in effect while the patient remains in the Third Senatorial District under a referral status.

- (dd) For Saipan Football League, expenditure authority is vested in the President of the Saipan Youth Football League.
- (ee) For the Carolinian and Related Language Assistant, expenditure authority is vested with the Executive Assistant for the Carolinian Affairs with concurrence of the Refulwasch Genealogy Society (RGS) Chairman or designee and in consultation of the project director.

Section 508. <u>Management of Funds</u>. The Secretary of Finance shall regulate and control the expenditure of Public Funds that are appropriated and allocated by this Act, so that no activity may expend appropriated funds contrary to the law or fiscal management policies and practices of the Commonwealth.

Section 509. <u>Reprogramming of Funds</u>. Reprogramming of funds appropriated under this Act shall be in accordance with 1 CMC § 7402 except as follows, notwithstanding any other provision of law:

- (a) Reprogramming is prohibited from funds appropriated under expenditure class codes 62430, 62440, 64410, 64420, 64510, 64520, 64630, 64640, 64650, 64700, 65350, 65400 and any expenditure line item included in the detailed budget worksheets and not assigned specific class codes
- (b) Reprogramming is permitted from any object class to medical referral and medical reimbursement (i.e., Medicaid), but no funds shall be reprogrammed from either of these accounts.
- (c) Notwithstanding any provision of this section, except as in provided in subsection (b), funds may be reprogrammed within the Department of Health Services and the Public School System, respectively.
- (d) Notwithstanding the reprogramming restrictions of 1 CMC § 7402(c)(3), funds appropriated under this Act for housing rental (Class Code 62430) and housing allowance (61200) may be used interchangeably. Affected offices and activities are encouraged to utilize the housing allowance method to fulfill their employees' housing requirements.
- (e) Notwithstanding 1 CMC § 7402 (a)(2), funds may be reprogrammed to zero funded accounts within the Department of Public Health, the Public School System, the Department of Public Safety.
- (f) Funds appropriated to the Public School System may be reprogrammed by the person with expenditure authority without regard to 1 CMC § 7402, and to this extent appropriations to the Public School System represent a system of lump sum budgeting; Provided, that funds appropriated for a given public school may be reprogrammed to another public school only by resolution of the Board of Education with the concurrence of the affected principals; Provided further, that the Board of Education may reprogram funds from one expenditure authority to another within the Public School System with the consent of the original expenditure authority. Pursuant to Article XV, Section 1(e) of the Commonwealth Constitution, funds appropriated to the Public School System shall not be reprogrammed outside the Public School System.

Section 510. <u>Restriction on Charging Multiple Accounts</u>. No employee of any branch of government may receive salaries from more than one FTE, nor from more than one local account except as provided in Section 506 of this Act; Provided, that this section shall not apply with respect to teachers, substitute teachers, or teacher aides.

Section 511. <u>Lateral Transfer</u>. An employee moving from one position to another position within the same pay level, shall be paid at the same pay level and step as the former position and be treated as a lateral transfer, not as a promotion.

Section 512. <u>Salary Exemption</u>. Nothwithstanding 1 CMC §§ 8245(f) and 8248 and Section 518 of this act, U.S. certified public accountants, attorneys, and engineers who are employees of the CNMI Government, whose primary responsibilities consist of practice of their profession, and who have been admitted to practice in a U.S. jurisdiction for at least one year, may receive an annual salary in excess of \$50,000 but not more than \$70,000.

Section 513. Office of the Public Auditor. Notwithstanding any other provision of law, the Public Auditor having agreed that \$2,158,100 is sufficient funding for the Office of the Public Auditor for FY 2000, the excess of those funds that would otherwise be allotted to the Public

Auditor pursuant to 1 CMC § 7831 above \$2,158,100 is hereby instead appropriated as follows: the first \$300,000 shall be used for Medical Reimbursement under the expenditure authority of the Secretary of Health and \$100,000 for Northern Marianas College, under the expenditure authority vested in the President of the College for the purpose of lowering tuition cost, with the written approval of the Board of Regents, followed by \$600,000 to Medical Referral and \$500,000 for the Scholarship Program, and except as otherwise provided by this Act, such monies so appropriated for these purposes may be spent without further appropriation.

Section 514. <u>The MarianasVisitors Authority</u>. Notwithstanding any other provision of law, the Mariana Visitors Authority shall only receive those funds appropriated thereto in this Act.

Section 515. <u>Earmarked Funds</u>. The earmarking provisions in Public Laws 9-29,10-66, and 11-25 are hereby suspended for the 2000 Fiscal Year such that monies earmarked under these laws that are not explicitly appropriated with reference to those laws for their earmarked purpose(s) are hereby transferred into the General Fund for general appropriation under this Act. The earmarking and automatic appropriation of funds under Public Law 10-1 is not affected or amended by this Act.

Section 516. <u>Termination of Continuing Budget Authority</u>. The effect of any veto of any appropriation in this Act is to zero fund the item, program, branch, department, agency or any other entity vetoed.

Section 517. Maximum Salaries.

- (a) Nowtwithstanding 1CMC § 8245 (a), the Secretary of Community and Cultural Affairs and the Secretary of Commerce shall each receive an annual salary of not more than \$52,000 and the Secretary of Lands and Natural Resources and the Secretary of Labor and Immigration shall each receive an annual salary of not more than \$52,000.
- (b) Notwithstanding 1 CMC § 8245 (c), the annual compensation for resident department heads shall not be more than \$45,000.
- (c) Nothwithstanding 1 CMC § 8245 (d), the annual compensation for unclassified division directors and special assistants of the principal executive department shall be not more than \$45,000; Provided, that the Director of Customs shall receive an annual salary of not more than \$48,000 per annum and the Director/Chief of Police and the Director of the Division of Electronic Data Processing (EDP) shall receive an annual salary of not more than \$52,000 per annum.
- (d) Notwithstanding 1 CMC § 8213, the Assistant Director or Police Major shall be paid at Pay Level 35.

Section 518. Ph.D, J.D., C.P.A. Exemption. Notwithstanding 1 CMC §§ 8248(a) and 8245, a department secretary or activity head (including the Commissioner of Education) who holds a Ph.D. or J.D. degree, or is a U.S. certified public accountant, may receive an annual salary in excess of \$50,000 but not more than \$80,000.

Section 519. <u>Salary Ceiling</u>. Public Laws 7-31, 8-15, 8-6, 9-25, 10-35, and 10-85 with reference to salaries of graded or ungraded positions, shall be strictly adhered to. All salary classification and compensation outside the above laws shall be first sanctioned by the Legislature before its implementation.

Section 520. <u>Continuing Appropriation</u>. Until the annual appropriation act(s) for a subsequent fiscal year is (are) enacted into law superseding budget authority based on this Act, the appropriation levels, criminal penalties, and administrative provisions for government operations and obligations provided under this Act shall continue to apply with respect to any continuing budget authority. Appropriations to expenditure class codes 64420, 64510, 64520, 64540, 64580, 64590, 64630, 64640, 64660, and any other expenditure line item included in the detailed budget worksheets and not assigned specific class codes, are intended to provide funding for Fiscal Year 2000 only and shall not provide a basis for continuing appropriations.

Section 521. <u>Lapsed Appropriations.</u>

a) Funds available from lapsed salaries of new or vacant positions for the Department of Public Health Services shall be reprogrammed to the Medical Referral Account. The Secretary of

Finance shall report to the Legislature the full accounting of all lapsed funds no later than 10 days after the end of each quarter.

- b) Funds appropriated for other categories and not obligated as of September 30, 2000 shall revert to the General Fund.
- (c) A special reserve account is hereby created to be used for salary adjustment compensation pursuant to Public Law 7-31. Funds available from lapsed salaries of new and vacant positions shall not revert back to the General Fund and instead shall be reserved for salary adjustment as required by Public Law 7-31. All former CNMI Government employees who have not received the salary adjustment shall be eligible for such compensation; provided further, that if the employee is deceased then the beneficiary of tha employee shall be eligible to receive such compensation.

Section 522. <u>Settlement</u>. Pursuant to Summary Judgment under Civil Action No. 97-486 re former Attorney General, Robert Naraja and former Procurement Officer, David M. Apatang that the court therefore concludes that the Third-Party Defendants are entitled to a public legal defense and same was granted on 8/2/99 by Special Judge David A. Wiseman.

Section 523. <u>Authorization</u>. The Governor or his designee is authorized to reprogram funds for the settlement of civil Action No. 97-486 for the Plaintiff and Defendant pursuant to the Summary Judgment.

Section 524. <u>Tax Offset</u>. Any sole proprietor, partnership, limited liability, corporation or corporation who is owed money by the commonwealth government, its agencies, semi autonomous agencies, for goods or services rendered, shall be allowed to offset any business gross revenue tax or income tax due to the commonwealth, by the amount owed to them by the commonwealth agency. This provision shall apply only to debts which were not disputed by the applicable agency within ninety (90) days of receipt of billing. Notwithstanding any contrary provision of law, the Division of Public Lands shall execute any and all transactions contemplated by this section arising out of any government taking of any private land for a public purpose. The Secretary of Finance shall monitor all offsets and shall provide the necessary forms for the effective implementation of this provision within 30 days of its becoming law.

Section 525. FTE Vacancies. Except for the Department of Education and the Department of Public Health and Environmental Services, any FTE (full-time employee) positions that are not filled within 180 days shall be eliminated. In the event that a personnel action is submitted to Personnel Office and no action is forthcoming within 180 days, the personnel action will be deemed approved. Upon the elimination of an FTE position, the funds appropriated for such position shall revert back to the General Fund. It is the responsibility of the head of each department or agency to notify the Personnel Officer and the Director of Finance to take appropriate action when an FTE position is eliminated pursuant to this section and to also notify the Chairman of the House Committee on Appropriations. Further, no person shall be employed to fill a vacant position when a continuing resolution is in effect, unless the Governor, presiding officers of the legislature, or Chief Justice, as the case may be certifies to the Governor and the legislature that the filling of the vacant position is essential to the delivery of public services and that continuing appropriations are available for the full personnel cost associated with the filling of the vacant position.

Section 526. Other Employment Provisions.

- (a) Any limited term position or appointment which has exceeded one year on the effective date of this act or thereafter shall be converted to a full-time equivalent position.
- (b) No reclassification to a higher position or pay level is effective without the accompanying appropriation.

Section 527. <u>Tinian FTEs</u>. Twenty eight (28) FTEs from the Tinian Municipal Council is hereby transferred to the Tinian Mayor's Account, including all personnel costs associated with such transfer and FTEs. Nothwithstanding any provision of law to the contrary, the Chairman of the Tinian Municipal Council is authorized to reprogram funds and FTEs pursuant to this section.

Section 528. <u>30% Bonus and Lum-sum payment of annual leave for Executive, Judicial and Legislative employees.</u> The legislative finds that not all departments were given the

opportunity to include in their budget the 30% bonus and lump-sum payment of unused annual leave. Provided, however, that this Section will provide equal treatment to all government employees who elect to retire to receive the 30% bonus and unused annual leave payment as a lump-sum appropriation.

The Secretary of Finance shall be the expenditure authority over the 30% bonus, unused annual leave lump-sum payment. Provided further that the Department shall submit a request tot he Secretary of Finance for the disbursement of fund.

Section 529. Late Payment of the 30% Bonus and Lump-sum Payment of Unused Annual Leave. The Administrator of the Retirement Fund is hereby authorized to include all payment of unused annual leave and 30% bonus on the employee's W-2 retroactive to the date the employee retired if the employee received his or her entitlement after the closing of the last pay period for that year and thereafter.

Section 530. Severability. If any provision of this Act, or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the Act which can be given effect without the invalid provision or applications, and to this end the provisions of this Act are severable.

Section 531. Criminal Penalties. Without limitation on the applicability of any other part of the Planning and Budgeting Act of 1983, as amended, the criminal penalties set forth in the Planning and Budgeting Act of 1983, as amended (1CMC Section 7701 et seq.), shall apply to this act.

Section 532. Savings Clause. This Act and any repealer contained herein shall not be construed as affecting any existing right acquired under contract or acquired under statutes repealed or under any rule, regulation or order adopted under the statutes. Repealers contained in this Act shall not affect any proceeding instituted under or pursuant to prior law. The enactment of this Act shall not have the effect of terminating, or in any way modifying, any liability civil or criminal, which shall already be in existence at the date this Act becomes effective.

Section 533. Effective Date. This act shall become law upon its approval by the Governor, or its becoming law without such approval..

Date:	Introduced by:_		_
		Rep. Antonio M. Camacho	
ker Fitial:	Discussion on the amendment?		

Speak

Rep. Benavente: Mr. Speaker?

Speaker Fitial: Representative Benavente, recognized.

Rep. Benavente: First let me ask procedurally, since we are offering a substitute the discussion then will be on the entire Bill and whenever we pass the substitute then we vote on the Bill automatically. But the point of discussion would be at this time on the substitute or --?

Speaker Fitial: The discussion will be on the substitute because that is the amendment that is being offered.

Rep. Benavente: So, if I may proceed, Mr. Speaker?

Speaker Fitial: Recognized.

Rep. Benavente: Thank you. I wish to just bring up a proposal and idea to the members and see if I can get support from the members, to reduce the Legislative Allocation of \$155,000 per year as offered in this budget. Mr. Speaker, and members, just last week, I saw in the newspaper, that students for example are having to come to school late because of bus problems. I would figure that would be busing needs or bus maintenance needs, and while I appreciate the fact that PSS budget has been increased, I still feel that this Legislature should not increase its own budget when we see that other agencies budget have been reduced. We also at this time, should not be increasing our budget when we acted recently on a legislation reducing on the amount of scholarship for students under Public Law 7-32 or even eliminating the part-time scholarship program that was offered at one time at our own Northern Marianas College. We have made several steps in reducing our community's needs financially. I don't think that it is fair for us at this point in time, when we are still having some financial constraints as government that we increase our own budget. I have been informed that emergency vehicles at the Department of Public Safety, are somewhere either down or barely function because of maintenance problems and because of financial needs. I think that the priority that I would like to put forth is the need for our school children to get to school on time, and the need of PSS to get additional buses, or maintenance parts. So, Mr. Speaker, I would like to offer an oral floor amendment and if it is possible, I would like to ask the Floor Leader to make the necessary motion for the suspension of Rules to allow me to offer a floor amendment?

Speaker Fitial: Floor Leader?

Floor Leader Babauta: Mr. Speaker, I so move to suspend Rule IX, Section 11.

Rep. Attao: Second.

Speaker Fitial: Did you second that Representative Attao?

Rep. Attao: Yes.

The motion was seconded.

The motion to suspend Rule IX, Section 11, for Representative Benavente to offer an oral floor amendment to House Bill No. 12-1, H.S.1, was defeated carried by the majority hands raised.

<u>Speaker Fitial</u>: The motion is defeated. Representative Benavente, you still can offer a written amendment.

<u>Rep. Benavente</u>: And I will need your support then, Mr. Speaker, to call for a short recess while I make a copy of the amendment?

Speaker Fitial: You have my support. Short recess.

The House recessed at 12:27 p.m.

RECESS

The House reconvened at 12:30 p.m.

<u>Speaker Fitial</u>: The House shall reconvene. Representative Benavente, you may proceed with your propose floor amendment.

Rep. Benavente: Thank you, Mr. Speaker. I would like at this time to offer a written Floor Amendment, a copy of the Floor Amendment have been distributed and at this time, I so offer it.

The motion was seconded.

Speaker Fitial: Discussion? Can you please state your Floor Amendment for the record?

Rep. Benavente: Thank you, Mr. Speaker. On page 12, after line 18, insert a new subsection (j) under Section 505 to read: "(j) Ten Thousand Dollars is hereby appropriated from the individual allocation to each legislator to purchase new buses for PSS, for bus parts, and bus maintenance. The Commissioner of Education shall be the expenditure authority of funds so appropriated." Under discussion on the amendment, if I may, Mr. Speaker?

Speaker Fitial: You may proceed.

Rep. Hofschneider: Point of clarification.

Speaker Fitial: State your point of clarification.

<u>Rep. Hofschneider</u>: Clarification on the amendment, does the mover of the motion intents to define "to each legislator", meaning the Senate inclusive?

Rep. Benavente: Mr. Speaker?

Speaker Fitial: You may respond.

Rep. Benavente: My intent on the amendment and it is not so clear at this time, is to only take Ten Thousand Dollars from the House of Representatives member and not from every member of the Legislature, which would include the Senate. So, at this time, I need to verify with the counsel if –

<u>Speaker Fitial</u>: You don't need to verify the counsel if that is your intent?

<u>Rep. Benavente</u>: Right, but to clarify the amendment. Or, if I may offer an amendment to the Floor Amendment at this time?

Speaker Fitial: You can just change "legislator" into "members of the House".

Rep. Benavente: Right. Or to –

Speaker Fitial: House members.

<u>Rep. Benavente</u>: So, can I offer this as an oral amendment to the Floor Amendment, or if there is no objection from the floor that we just make the necessary correction on the amendment to read, "from each member of the House"?

There was no objection raised.

Speaker Fitial: No objection.

<u>Rep. Benavente</u>: So, at this time if you would please change the Floor Amendment "to each member of the House" instead of "legislator". Thank you.

Speaker Fitial: Discussion? Representative Tony Camacho?

Rep. A. Camacho: I applaud Representative Benavente for trying to make an amendment to the members of the Legislature's allocation, however, in the appropriation we are looking at giving education, PSS, Forty-One Million Dollars (\$41,000,000) to accommodate the needs of buses parts, maintenance and others, and I don't think it is about time that this amendment before us, is ready for our action.

Speaker Fitial: Representative Peter?

Rep. Peter: Thank you, Mr. Speaker. I have spoken with the Commissioner on the need of buses and she told me that if the \$41,000,000 is passed, she would work around that budget to make sure that she gets the buses that she needs. Thank you, Mr. Speaker. Therefore, I will not support this.

<u>Speaker Fitial</u>: I think the amendment by Representative Benavente is very clear, he just want to reduce the allocation for each member of the House. Bus is the very first thing that comes into his mind.

Vice Speaker Mendiola: Mr. Speaker?

Speaker Fitial: Vice Speaker?

<u>Vice Speaker Mendiola</u>: Thank you, Mr. Speaker. In the Eleventh Legislature, we allocated \$39,000,000 for PSS. We understand on that budget request, it looks like PSS is in need of additional funds to shoulder the cost of the bus. We went along and accepted that and we gave PSS \$10,000 each of the member of the Legislature, as well as the Senate. On this budget submission allocation, we are giving PSS additional \$2,000,000 and I believe that would really accommodate the needs of the buses. It looks like every budget submission that this body put out on the floor, Mr. Speaker, it looks like we are only thinking about the buses. I wonder what is the problem with the buses that we always think about the buses and the Legislature has to shoulder buses? May be I should put out a resolution and we privatize these buses and we stop taking allocation from every member. I believe that some of the members based on their allocations that were given based on the Constitution will really hamper the member based on their budget. So,

if this is the case that every such budget issues that comes out on this floor, I should maybe put out a resolution and privatize these bus services and maybe we don't have to be going on every budget request or budget submission that we have to reallocate money from the Legislature or any other agencies just to accommodate buses. It looks like every time we bump into this bus problem – I believe that if we privatize this system we wouldn't be having anymore problem. I believe it will be more efficient, and less maintenance, less wear and tear, less headache for the PSS, and maybe we will just appropriate funds strictly for bus services. I tend to see that every submission of budget, it comes to this point that the Legislature had to shoulder buses. I don't know, Mr. Speaker, but I think this amendment is something that we need to really look into it because a lot of the members maybe are not happy with this amendment. Thank you.

Speaker Fitial: Representative Ichihara?

Rep. Ichihara: Thank you very much, Mr. Speaker. As much as I like the intent of this Floor Amendment, as a newly elected body to this Twelfth CNMI Legislature, when I came to my office, I found practically nothing, I had to start out, I don't even have gas for transportation, I would ask Representative Benavente, if it is appropriate for the others to donate, but please for those new members forgive us for this budget year and maybe if I do have some left-over after acquiring the needed equipments that I need to run my office is acquired. I just would like to share that as a first time having nothing to find in my office, I would request that I maintain my \$10,000 for this fiscal year. Thank you very much.

Speaker Fitial: Representative Apatang?

Rep. Apatang: Thank you, Mr. Speaker, I just want to point out also that the Committee did put in as part of the provision that PSS is allowed to reprogram any funds into any object class so they have the freedom to do that. If they have left-over money from one class code they can reprogram to another class code in that way, they can secure the additional bus that they need. Thank you.

Any other member wishing to speak or discuss the amendment before Speaker Fitial: Representative Benavente speaks for the second time? If none, I would like to just clarify the statement that Representative Benavente made, is that the Legislature is increasing its own budget with the allocation incorporated in the Budget Act. I think that is an inaccurate statement because the approved budget ceiling for the Legislature per member in the House is, \$155,000. This amount was set by the previous approved budget. And this year's current fiscal year budget, the same amount is again incorporated in the budget for each member of the Legislature including the House. So, the \$155,000 per member is still the same amount is propose to be allocated to each member for this fiscal year. So, there is no increase in the budget of the Legislature with respect to individual member's allocation of \$155,000. All of you who served in the previous Legislature knew very well that the budget for the Legislature per member in the House is \$155,000, but you decided to reduce each member's allocation by \$10,000 to fund the purchase of 10 buses, which two did not arrive for some reason, and then that allocation of \$145,000 per member was further reduced by the Governor's reduction plan of 13.4%, which I personally disagree with the Governor. I really believe that only the Legislature can reduce its own budget and the Governor is not authorized by the Constitution, or by any law to reduce the Legislature's budget. The other concern that I have with respect to Representative Benavente's statement,

when he refers to community needs, he said that we are depriving our communities needs by increasing our budget. Well, let me just point this thing out very clearly to all of you that this total budget represents 75% personnel and this is very unhealthy in any government. Like I pointed out to the leadership very earlier on, the State of Virginia has \$4 Billion budget and only 3% represent personnel. In our budget less than 25% goes to programs, or services, other than personnel. We need to be constantly mindful of the way that we are allocating financial resources because we are suppose to be allocating more our financial resources to services and programs rather than personnel. So, this is the disease of this government, we continue to allocate resources to personnel instead of services and yet, every campaign we always tell the people that we are delivering public services to them. Representative Benavente, for the second time.

Rep. Benavente: Thank you, Mr. Speaker. First of all, I think what I referred to as increasing budget is still very clear that we are in fact increasing our budget, whether we take it from the continuing resolution or we take it as an allotment, as what we have been allotted from budget, which is \$134,000 per member, and it is not \$155,000. This budget now proposes to increase that budget allotment to \$155,000. So, there is a propose increase in this budget for each member of the Legislature. Before the Legislative Initiative was passed, I was a Speaker then and a member of the majority, and the budget amount, if I am not mistaken at that time is, somewhere below \$80,000 per member, \$70,000 sum per leadership, and minorities at the time, I believe were getting \$60,000. But that was only three years ago. When the Legislative Initiative was passed to increase it or to set a ceiling, increasing the ceiling to \$155,000, we almost double that amount for the leadership, almost triple for the minorities. When you think about that, that is hard to imagine in a government function that we increase our budget by that much. You know, Mr. Speaker, you are absolutely right, I am very concern about the buses and the funding for the buses has been incorporated in this budget then let us switch it. Let us than give it to the maintenance needs of the emergency vehicles presently down there at the Department of Public Safety. I don't suggest that we give it to the agencies that will use it to hire more people? No. I am asking that this maybe given to the scholarship program. Let us increase it, I know we increase it, but let us increase it some more. Let us give it to the referral program we increase that let us increase it some more. What I am saying is that, as the Speaker of the House just last year, I was given a budget of \$134,000 for my office, and I was able to saved, tens of thousands of dollars from that, because I didn't have to spend all the money that was given to me. I am now receiving a \$134, as a minority and I am finding out that I could save tens of thousands of dollars because it is not necessary. I don't need that kind of money that is given to me right now to run my office, and this what I am saying. What I am saying is that, the \$134,000 should be very sufficient for each one of us, because I know what is like being a majority and I know what is like being a minority. Let us use the public's money wisely here and let us not give it to ourselves when we know it is not necessary, and if we don't want to give it to an agency that would just take it and hire more people, I think then we should give to us because that is the only thing we do hire more people here at the Legislature. We need to act responsibly for our taxpayer's money. If I agree with Representative Ichihara that it is necessary for her to buy her own computer, I will support that idea, but I know for a fact that \$134,000 for each member, plus the support from the Legislative Bureau, plus the opportunity for the leadership to work with the additional \$300,000 that is appropriated separately, all of those translates to a lot more money than we need as individual members. So, what I am saying is that help me reduce that amount. Help me change my amendment let us give it to the emergency vehicles down at the Department

of Public Safety. But you've got to agree with me that this money is not enough, you've got to agree with me that this is not acting responsibly on our taxpayer's money. That is all I have to say at this time, Mr. Speaker. Thank you.

Speaker Fitial: Representative Tony Camacho?

Rep. A. Camacho: Thank you, Mr. Speaker. I don't have to dwell into the history of the reason why we have raise the legislative allocation, I left the Legislature I think during the Eight and I am seeing several members that are still here who are with me during the Eight Legislature, I was caught in the middle, I think I had the smallest amount of budget given to me as a minority, but during the time that I spent there, I managed to live within the means I was given, which sometimes I lean on the wall and look at the other side of the wall and trying to make means meet ends. Than, I think in the Ninth Legislature when they have this Legislative Initiative to amend the Constitution. Because they cannot even work within the Two Million Dollars (\$2,000,000) as required by the Constitution. No matter what, we don't know where we are going actually in essence, but cost prices of materials are going up, I know why the make that initiative to amend the Constitution because they know that they cannot live within that means of the \$2,000,000. I think as a result as of what had happened to me and other members in the minority, that is why they earmarked \$155,000 each so that each member can work within the means to accommodate the needs of the communities. As you can see, Mr. Speaker, and I know that other members have volumes and volumes of request to assists programs, so-called, baseball, basketball, and name what have you, and then we have problem with the public purpose definition, then where are you going to end, you take from your own pocket and assists those small kids in their programs. I don't think that we are inflating, we are just following the mandate of the Constitution as the fathers of some members that are still here. I look into the year 2001, there is a provision there in the Constitution that you people passed about the CPI, the inflation index. You can't just tell me to that I have to reduce your allocation because it is there, I have to follow the Constitution that you guys initiated in the first place. So, please let us not blame each other, I did not blame each and every one of you when I was being on the wall in the Eighth Legislature, I carried the ball, I worked with you. So, let us not point fingers, Mr. Speaker. And anyone that is pointing fingers at me, I'll bet you that the Constitution in year 2001, we will be arguing again on the same particular issue. I'll follow the Constitution and you guys had to do what you have to do. Thank

Rep. Benavente: Just a point of clarification, Mr. Speaker.

Speaker Fitial: Before you state your point of clarification. The approved budget for the Legislature was \$155,000 per member, and the Eleventh Legislature reduced that to allow the purchase of the buses by \$10,000 per member. So the approved budget, allotment is a tool that the Budget Office uses to distribute allocation to appropriated accounts. So, if the Budget Office only allots \$134,000 then there is a shortfall in that allotment. I already indicated this to the Governor that only the Legislature can reduce their budget. The Governor is not authorized to reduce the Legislature's budget. And, I have already requested the Budget Office to return the remaining balance of the Legislature's allocation.

Rep. Attao: Mr. Speaker, point of clarification.

Speaker Fitial: Representative Benavente?

Rep. Benavente: Thank you, Mr. Speaker. Representative Camacho pointed out that he is just following the Constitution when he said the \$155,000. The Constitution amendment reads, "Each member of the House shall receive an equal amount within this ceiling not to exceed \$155,000", the Constitution does not say that we give ourselves \$155,000. Thank you.

Speaker Fitial: But that is what the Legislature gave themselves last budget, \$155,000.

Rep. Benavente: Mr. Speaker, if I may -- minus the \$10,000 for the buses.

Speaker Fitial: Minus the \$10,000 for the buses.

Rep. Benavente: And what I am saying is that we can do that same thing by passing this amendment.

Rep. Attao: Mr. Speaker?

Rep. Apatang: Ready.

Rep. Attao: Point of clarification, Mr. Speaker.

<u>Speaker Fitial</u>: Representative Attao?

Rep. Attao: Thank you, Mr. Speaker. As the Vice Chairman on Committee of Ways and Means during the Eleventh Congress, Mr. Speaker, under Public Law 11-41, yes indeed, the Legislature was given \$155,000 pursuant to Legislative Initiative No. 10-8. However, on that \$155,000, Mr. Speaker, my good colleague on my right side made a floor amendment to reduced \$155,000 by \$10,000, than this floor amendment, yes, each legislator has \$145,000. Subsequent to that, Mr. Speaker, when the Governor declared austerity measure, the leadership during the Eleventh Congress agreed to have the 13.4% be applied to the allotment per member, so it went down \$20,000 impact of that 13.4%. So we carried \$134,000 from there to the end of the term. I just want the record to make it clear that the 13.4% was agreed by the leadership for the Governor to go ahead and apply the 13.4% on the allotment per member.

Speaker Fitial: Clarification.

Rep. Attao: Yes. In addition to that, Mr. Speaker, I was supporting the amendment offered by Representative Benavente, however, after hearing the Chairman on Ways and Means, so as, Chairwoman on Health and Welfare, I am convinced that the additional amount given to Public School System (PSS) is sufficient enough based on the information stated by Chairperson Malua Peter, and this is coming from the Commissioner of Education. Probably, we can help PSS find some funds to provide additional, should finalize, but at this point in time, it is very clear that both Chairs have stated that PSS increase is sufficient enough to purchase bus and also buy parts.

Several members voiced, "ready".

Floor Leader Babauta: Ready for the amendment.

<u>Speaker Fitial</u>: I would like to ask the Clerk to call the roll for the amendment offered by Representative Benavente?

The Clerk called the roll on the motion to adopt the Floor Amendment offered by Representative Benavente on House Bill No. 12-1, CS2, as follows:

D 16 11 D 11	
Rep. Martin B. Ada	no
Rep. David M. Apatang	no
Rep. Jesus T. Attao	no
Rep. Oscar M. Babauta	no
Rep. Diego T. Benavente	yes
Rep. Antonio M. Camacho	no
Rep. Rosiky F. Camacho	no
Rep. Florencio T. DLGuerrero	no
Rep. Heinz S. Hofschneider	yes
Rep. Brigida DLG. Ichihara	no
Rep. Dino M. Jones	excused
Rep. Alejo M. Mendiola, Jr.	no
Rep. Norman S. Palacios	no
Rep. Thomas B. Pangelinan	no
Rep. Maria "Malua" T. Peter	no
Rep. Stanley T. Torres	yes
Rep. William S. Torres	no
Speaker Benigno R. Fitial	no

<u>Speaker Fitial</u>: The floor amendment offered by Representative Benavente is defeated. Further discussion on the passage motion? Floor Leader?

<u>Floor Leader Babauta</u>: Mr. Speaker, since copies have already been passed out, I wish to officially now move and offer a written Floor Amendment, and ready for the question.

The motion was seconded.

FLOOR AMENDMENT

Re: House Bill No. 12-001, CS2

Date: March 21, 2000

Amendments: Page 9, line 14 delete "\$526,213" and insert "\$500,000": in lieu thereof, page 41 class code 2060, Saipan and Northern Municipal Council, delete "\$10,300" and insert "436,513" in lieu thereof, page 51 class code 67000 Customs user fee, delete "\$526,213" and insert \$500,000" in lieu thereof.

Introduced by: /s/Rep. Oscar M. Babauta

There was no discussion raised.

The motion to adopt the Floor Amendment offered by Floor Leader Babauta was carried by voice vote.

Speaker Fitial: The motion carries.

Floor Leader Babauta: Ready for the main motion.

<u>Speaker Fitial</u>: Representative Hofschneider?

<u>Rep. Hofschneider</u>: Yes, Mr. Speaker. On page – I noticed there's PD# 37578 lateral transfer from Public Works Saipan to Rota, what is the explanation to that lateral transfer?

Speaker Fitial: Can you be specific which page are you referring to?

Rep. Hofschneider: Page 28 on the worksheet.

Speaker Fitial: Page 28.

Rep. Hofschneider: Page 28 on the footnote.

Speaker Fitial: Chairman, do you have an answer?

Rep. A. Camacho: Yes, Mr. Speaker. The person that is involved in this position actually is from Rota, and then reassigned over to Saipan for the Department Public Works, and he was assigned to work for the Rota Guest House, day in day out and as a result of this – this action was requested that we do a lateral transfer in this budget so that it will be fully occupied by the Rota Guest House instead of Saipan, Department of Public Works, which the Department of Public Works here in Saipan are complaining about the person's work.

<u>Rep. Hofschneider</u>: Thank you on that answer, Mr. Speaker, I am satisfied on that particular question. May I proceed, Mr. Speaker?

Speaker Fitial: Yes, you may.

Rep. Hofschneider: Just a clarification on page 9 on the worksheet again, on Scholarship Office, for this proposed budget total scholarship appropriation is \$3.944,600 and on the footnote, right immediately below that is noted as "a. \$1.2 reserved for NMC students out of the \$3.8 Scholarship Appropriation for class code 65400", I just want to raise this as a matter of caution, and I briefly explained to the Chairman already, Mr. Speaker, but for the benefit of the members, we have \$3.8 and if we are to reserve \$1.2 that would effectively leave \$2.6 for specifically to statutory scholarship, which is P.L. 7-32, what we called "The Salutatorian/Valedictorian Scholarship" and the "Teacher Scholarship", those two statutory scholarships amounts to a million dollars or very close to a million dollars of current impact every year that effectively leaves \$1.6 for all other students that are off-island because \$1.2 is being reserved for NMC. We

have over 800 students abroad, out of the \$1.6 to accommodate 800 students off-island, specifically those that are pursuing higher education in masters program, law school, medicine, and some of them are pursuing PHD courses, effectively again, \$1.6 will be reduced. The general slot of the entire off-island students population would be further reduce if we are to earmark \$1.2 for NMC students. The current enrollment in NMC does not justify reserving \$1.2 because they are also entitled to the "Teacher Scholarship" they don't any enrollment for this year for students under P. L. 7-32, which is the special scholarships. For Grants, there is a Federal Grant Program called "PELL", now, it is has been a practiced of NMC to not identify incomes that they collect for that fiscal year and report it to the Department of Finance, or the Budget Office, or the Ways and Means Committee of the Legislature, these are not identified as income under their longstanding budgeting practice, it amounts to over half a million dollars every year. The point I am trying to make, Mr. Speaker and members is that by earmarking with the notation provided on page 9, we will be visited by parents of students who have the kids attending off-island education or institution, I don't know what is the rationale for the word "reserved for NMC students" when today under current practice, all students who attend NMC and off-island students go to the Scholarship Office and apply from the same pot? This is intending to do still the same, but reserving effectively \$1.2 from the \$3.8 leaving \$2.6 for all other students. Further in the worksheet, under P. L. 5-32 programming, there is a transfer-out of \$250,000, may I be enlighten, Mr. Speaker, why for this fiscal year we are appropriating \$250,000 under transfer-out of the NMC?

Speaker Fitial: Chairman Camacho?

Rep. A. Camacho: What page?

Rep. Hofschneider: Page 43, on the transfer-out class code 67000.

Rep. A. Camacho: Mr. Speaker, this is the lump sum on the object class.

Rep. Hofschneider: What is the break down? What is the usage of the transfer-out under the lump sum?

<u>Rep. A. Camacho</u>: Mr. Speaker, as requested by the College, they will not be reprogramming on one object class to the other. They will do their reprogramming internally.

Rep. Hofschneider: I support the lump sum to the College as well as to PSS because of the Constitutional created board. The point is, can we justify \$250,000? What is the purpose of the \$250,000?

Rep. A. Camacho: That is their operation.

Rep. Hofschneider: This is a new item, Mr. Speaker. Under P. L. 11-41, under the continuing resolution, this class code 67000 is a new appropriation given the college additional \$250,000.

<u>Rep. A. Camacho</u>: This is for their operations so that they can reprogram interchangeably what their needs are.

Rep. Hofschneider: I understand -

<u>Speaker Fitial</u>: Excuse me – this will not be use for personnel?

Rep. A. Camacho: No.

Speaker Fitial: That is good.

<u>Rep. Hofschneider</u>: Mr. Speaker, the lump sum would give it a transfer-out provision clause does not restrict them from moving it to salaries.

Rep. A. Camacho: They are not.

Rep. Hofschneider: Where is the restrictive language? Where in the administrative provision that you hold them accountable on the transfer-out provision? Because transfer-out you can move it out. Under lump sum approach and reprogramming they can effectively move the money.

<u>Speaker Fitial</u>: So, what if you're saying is correct, Representative Hofschneider, would you effectuate an amendment to make sure that this does not transfer upstairs?

Rep. Hofschneider: If I may, Mr. Speaker, just an oral amendment.

Speaker Fitial: Representative Ichihara?

Rep. Ichihara: I think when we deliberated on this, it was really because right now, NMC is charging \$65 per credit and they keep raising it up to meet their operation needs. So, for the first time we are giving them some money so that the students that are attending NMC will have a lower tuition rate because that is the resident tuition of \$65 per credit, if it is an outsider or nonresident, they charge it at \$130 and we feel that it is higher than mainland universities and that —

Speaker Fitial: But does your definition of "operational need" exclude personnel?

Rep. Ichihara: It was supposed to be like that. But, I guess there's that loophole that we need to tighten.

Rep. Hofschneider: Can the Floor Leader effectuate a motion to allow --?

<u>Speaker Fitial</u>: Floor Leader, can you effectuate a motion to make sure that this money that will help reduce the tuition will be use for program and not for personnel?

Floor Leader Babauta: So move, Mr. Speaker, Rule IX, Section 11 suspended.

The motion was seconded and carried by voice vote.

<u>Speaker Fitial</u>: The motion carries. So, you may proceed with your floor amendment, Representative Hofschneider.

<u>Rep. Hofschneider</u>: Very simple amendment, Mr. Speaker. Just put an asterisk "(*) over the \$250,000 on class code 67000 and below the formation line, the asterisk shall read "*shall only be used for operations." That is a motion.

The motion was seconded.

Speaker Fitial: Operations.

Rep. Hofschneider: ..."and not personnel" if further clarification is needed.

Speaker Fitial: Any second to that?

The motion was seconded.

There was no discussion raised. The motion to adopt the oral floor amendment offered by Representative Hofschneider to House Bill No. 12-1, CS2, HD1, was carried by voice vote.

Speaker Fitial: The motion carries. Representative Pangelinan?

Rep. Hofschneider: Further, Mr. Speaker?

Speaker Fitial: Representative Hofschneider?

Rep. Hofschneider: On the budgeting column, Mr. Speaker, I have information that the Superior Court have analyzed their budget and in the midst of the preparation and the presentation of the budget to the floor by the House, they have since employed people under the vacant positions that were allotted over to the Superior Court. By adopting this total appropriation would effectively negate the newly hired individuals under the Superior Court. Since the total appropriation is effectively lower than the continuing resolution by an amount close to \$262,000 and it is specifically under the personnel cost changes and not on operations. I believe the operation is kept intact. But effectively, the proposal on the Superior Court is lower than the continuing resolution.

Speaker Fitial: By how much?

Rep. Hofschneider: Roughly by \$262,000.

Speaker Fitial: Does your information include names of the people that are concern?

Rep. Hofschneider: I am sorry, Mr. Speaker, I do not have that.

Speaker Fitial: Can you create one?

<u>Rep. Hofschneider</u>: I believe it is in your office through the certification process on the continuing resolution the Governor is required to present certification copies over to the Presiding Officers of the House and the Senate.

Speaker Fitial: Chairman, do you have any information to that effect?

Rep. A. Camacho: No, Mr. Speaker. When we were working on the budget, and in my committee report, we emphasized that all vacant positions shall not be filled according to our Commonwealth Code. And, if this is new information, I'm sorry I don't know. But we entertained the request of the Superior Court about the vacant positions they need, marshalls, maintenance, maintenance workers, and several others, but the information, that Representative Hofschneider, is offering maybe it came too late when we are packaging this budget information.

Speaker Fitial: Where is the information that you are referring to?

Rep. A. Camacho: The letter that just came to me this morning, Mr. Speaker, dated March 21, 2000, which I got it this morning.

Speaker Fitial: So you do have the information?

Rep. A. Camacho: Just this morning.

<u>Speaker Fitial</u>: Does that information reflect accurately what Representative Hofschneider is pointing out?

Rep. A. Camacho: Not really, Mr. Speaker. Because what I told the Judge during the days we were working on the budget and we entertained the four positions that he asked for. I don't know whether he committed other positions, to fill other positions instead of the four positions he was asking, that, I don't know.

<u>Speaker Fitial</u>: Well, if we have accurate information, I think we can resolve the problem, but we cannot make a decision based on lack of information.

Rep. Hofschneider: Raise and conjecture.

Speaker Fitial: Raise and conjecture.

Rep. Hofschneider: Mr. Speaker, I believe that the information that the Chairman on Ways and Means has with him from the Superior Court, would suffice if we are to agree to the intention of that particular letter and that is stating simply that what the Superior Court can operate on is on the continuing resolution level and not reduce it. What this proposal is trying to do is reducing it by \$262,000 less.

Rep. A. Camacho: I don't think we have that reduction according to our findings and discussions with Judge Manibusan and Chief Justice Demapan. Maybe this a new encourage when they feel the position that we removed from their list because of a vacant for long time.

Rep. Hofschneider: Mr. Speaker, something is – if that is the argument that is taken by the Ways and Means Committee and in fact justified by their meeting with the Chief Justice of the Court, logically, you would reduce the number of FTE's to accommodate the changes, which just strengthen the position that there is a reduction in fact?

Rep. A. Camacho: Sure.

Rep. Hofschneider: Right?

Rep. A. Camacho: Yes.

Rep. Hofschneider: So, there is a reduction of \$262,000?

Rep. A. Camacho: We reduced the FTE's because they are not filled, but we gave them the one that they are requesting, the maintenance, the Marshall, and what not, because you cannot put an FTE's there without funding it.

<u>Rep. Hofschneider</u>: The logical question, Mr. Speaker, is if we reduce because of unfilled positions than where did the money go that would reflect the reduction in the court? Because what they are claiming is that, the Judges have since hired prior to the introduction of the Bill on the floor.

<u>Speaker Fitial</u>: As I understand it, the Chairman is pointing out, he is saying that he met with the Presiding Judges of the Court, both Supreme and Superior and they have discussed their needs and they pointed out certain positions that they really need very badly, like the maintenance and –

Rep. A. Camacho: I think, Mr. Speaker, they fill the position when we package the bill, but they should not have filled because according to our law, "any vacant positions that is more than 180 days should be vacant", maybe that is the case, the first scenario I can think of.

Rep. Benavente: Privilege, Mr. Speaker.

Speaker Fitial: But did we get certification from the Governor?

Rep. Hofschneider: It's in, Mr. Speaker, it is on your desk.

Speaker Fitial: It is coming?

Rep. Hofschneider: No. It is on your desk. Those communications which we decided to delete on the Calendar.

Speaker Fitial: I know, but I did not receive anything from the court.

Rep. Benavente: Privilege, Mr. Speaker.

Speaker Fitial: State your point of privilege, Representative Benavente.

Rep. Benavente: Mr. Speaker, it is almost 1:30 at this time, and I think there's some other discussions that is going to be made by other members on this budget, and I think, we should recess for lunch and at least have our staff eat, and also those people that are here to watch this session and reconvene within half an hour or an hour, and maybe even possibly get the Chairman to check on this discrepancy. Let us consider the staff that are here right now, let them go eat lunch.

Rep. Hofschneider: I'm done, Mr. Speaker.

Rep. Pangelinan: I have simple one.

<u>Speaker Fitial</u>: How many more members want to deliberate?

Rep. Pangelinan: One simple one.

Speaker Fitial: Representative Pangelinan, recognized.

Rep. Pangelinan: Thank you, Mr. Speaker. On page 16, the administrative provisions, lines 27 to 31, I am quite confuse on the intent of the language and kind of worried about the consequences that it will create between the Board of Education members and the principals. Let me explain briefly, the Board of Education is consequent, has 8 members, 5 voting members and three non-voting member, and according to this language, reprogramming authority will only be done through a resolution of the board with the concurrence of the effective principal. Another words, if the 5 voting members voted unanimously to adopt a resolution to reprogram \$10,000 from Rota School to MHS, that would not become a reality if the principal of that affected school rejects the idea, rejects the resolution. This provision empowers more than principal, empowers more the principal than the board. So, if the Floor Leader is ready, I am ready to propose an oral floor amendment. Am I getting the message through?

<u>Speaker Fitial</u>: Yes, I think that message is valid if they are not working together. But, you may propose your oral floor amendment since we have already suspended the Rule.

Rep. Pangelinan: Thank you. On line 28, Mr. Speaker and my colleague, just put a period "(.)" after the words "Board of Education", delete line 29, 30, and 31, except for the word "Pursuant".

The motion was seconded and carried by voice vote.

Speaker Fitial: The motion carries. Further deliberation?

Rep. Attao: Move to end debate.

The motion was seconded.

<u>Speaker Fitial</u>: Floor Leader? Ready? We are now voting on the main motion to pass House Bill No. 12-1, C.S.2, H.D.3. Roll call.

Rep. Martin B. Ada

yes

Rep. David M. Apatang	yes
Rep. Jesus T. Attao	yes
Rep. Oscar M. Babauta	yes

Rep. Benavente: Yes, with reservation because of the legislative budget. Thank you.

Rep. Diego T. Benavente	yes w/reservation
Rep. Antonio M. Camacho	yes
Rep. Rosiky F. Camacho	yes
Rep. Florencio T. DLGuerrero	yes

Rep. Hofschneider: Mr. Speaker, I hope the Chairman can clarify that with the Judges and work with the Senate, 'yes' on the budget.

Rep. Heinz S. Hofschneider	yes
Rep. Brigida DLG. Ichihara	yes
Rep. Dino M. Jones	yes
Rep. Alejo M. Mendiola, Jr.	yes
Rep. Norman S. Palacios	abstained
Rep. Thomas B. Pangelinan	yes
Rep. Maria "Malua" T. Peter	yes
Rep. Stanley T. Torres	yes
Rep. William S. Torres	yes w/reservation
Speaker Benigno R. Fitial	yes

Speaker Fitial: House Bill No. 12-1, C.S.2, H.D.3, passes the House on First and Final Reading.

MISCELLANEOUS BUSINESS

None

ANNOUNCEMENTS

The Chair recognized Rep. Peter.

<u>Chairwoman Peter</u>: Thank you, Mr. Speaker. I would like to ask the Committee on Health and Welfare to take a 30 minutes lunch and return for the Public Hearing scheduled for 1:30 p.m. Thank you.

Speaker Fitial: Chairman Hofschneider?

Rep. Hofschneider: Of what committee? Mr. Speaker and members, for the preemptive time, I guess this is the seventh time that we've tried to call a session accommodating all the members from the Senate and the House. The Saipan and Northern Islands had issued a notice, Mr.

Speaker, that on Thursday, March 23, 2000, at 8:30 in the morning, the Saipan and Northern Islands will convene its First Session for new officers and members. Thank you.

Chairman Jones: Time?

Speaker Fitial: 8:30 a.m., right here. Floor Leader?

Floor Leader Babauta: Mr. Speaker, I move to recess until tomorrow at 1:00 p.m.

The motion was seconded carried by voice vote.

The House recessed at 1:35 p.m.

Respectfully submitted,

Joan P. Kaipat, Journal Clerk House of Representatives