



Senate Journal

SECOND REGULAR SESSION, 2010

SJ 17-22

Ninth Day

Wednesday

October 06, 2010

EMERGENCY SESSION

The Senate of the Seventeenth Northern Marianas Commonwealth Legislature convened its Ninth Day, Second Regular (Emergency) Session, on October 06, 2010, at 5:05 p.m., in the Senate Chamber, Capitol Hill Saipan, Commonwealth of the Northern Mariana Islands.

The Honorable Paul A. Manglona, President of the Senate, presided.

A moment of silence was observed.

The Clerk called the roll and all nine (9) members were present.

President Paul A. Manglona: With all nine (9) members being present this afternoon, we have the necessary quorum to conduct today's session. Floor Leader, for the motion to amend our order of business.

Floor Leader Pete P. Reyes: Thank you Mr. President. Mr. President, in compliance with the Open Government Act, I move to amend the order of business.

Seconded by Vice President Jude U. Hofschneider.

President Paul A. Manglona: Is there any discussion? Senate Clerk, roll call please.

The Clerk called the roll on the motion to amend the Order of Business.

Senator Juan M. Ayuyu	yes
Senator Luis P. Crisostimo	yes
Senator Francisco Q. Cruz	yes
Senator Jude U. Hofschneider	yes
Senator Pete P. Reyes	yes
Senator Henry H. San Nicolas	yes
Senator Jovita M. Taimanao	yes
Senator Ralph DLG. Torres	yes
Senate President Paul A. Manglona	yes

President Paul A. Manglona: By a vote of nine 9-0, the Senate passes the motion to amend our agenda.

READING AND APPROVAL OF THE JOURNAL**NONE****MESSAGES FROM THE GOVERNOR**

1. **Gov. Msg. No. 17-252:** October 02, 2010 – Executive Order 2010-12. Declaration of A State of Emergency. Amendment to EO 2010-11 adding NMI Retirement Fund in the essential services listing.
2. **Gov. Msg. No. 17-253:** October 04, 2010 – **H.B. No. 17-69, HD1**, entitled, “To amend 8 CMC Section 1331(g) and to repeal and re-enact 8 CMC Section 1332 pertaining to divorce or dissolution of marriages; and for other purposes,” became **PUBLIC LAW NO. 17-20**, without the Governor’s signature on October 03, 2010.
3. **Gov. Msg. No. 17-254:** October 04, 2010 – Re-appointment of Ms. Merced M. Tomokane to serve on the CDA Board of Directors to represent Saipan.

COMMUNICATIONS FROM THE JUDICIARY**NONE****COMMUNICATIONS FROM HEADS OF EXECUTIVE DEPARTMENTS****NONE****COMMUNICATIONS FROM THE HOUSE**

Amended by majority vote to include:

1. **Hse. Comm. No. 17-86:** October 06, 2010 – Transmitting for Senate action H.B. No. 17-122, HD2, entitled, “To make appropriations for the operations and activities of the Government of the CNMI, its agencies, instrumentalities, and independent programs, and to provide budget authority for government corporations for FY 2011.”

COMMUNICATIONS FROM THE WASHINGTON DELEGATE**NONE****UNFINISHED BUSINESS**

NONE

PRE-FILED BILLS AND RESOLUTIONS

NONE

INTRODUCTION OF BILLS AND RESOLUTIONS

NONE

REPORTS OF STANDING COMMITTEES

NONE

REPORTS OF SPECIAL AND CONFERENCE COMMITTEES

NONE

PUBLIC COMMENT

Committee of the Whole at 5:12 p.m. to 7:15 p.m.

The Chair recognizes Floor Leader Pete P. Reyes.

Floor Leader Pete P. Reyes: Thank you. Mr. President, at this time, I wish to place under item “F” of the agenda, House Communication No. 17-86, reference to House Bill No. 17-122, HD2, with respect to the Fiscal Year 2011 Budget, so moved.

President Paul A. Manglona: Is there any discussion? Those in favor say “aye”.

Several members voiced, “aye”.

President Paul A. Manglona: All opposed say, “nay”.

The motion was carried by voice vote.

The Chair recognizes Floor Leader Pete P. Reyes.

Floor Leader Pete P. Reyes: Mr. President, without objection from the members, I like to place House Communication No. 17-86, HB 17-122, HD2 on the calendar on first and final reading.

President Paul A. Manglona: Those in favor say “aye”.

Several members voiced, “aye”.

President Paul A. Manglona: All opposed say, “nay”.

The motion was carried by voice vote.

The Chair recognizes Floor Leader Pete P. Reyes.

Floor Leader Pete P. Reyes: Thank you. Mr. President, again without objection from the members, I like to move to item “M” of the order of business with respect to public comments.

President Paul A. Manglona: At this time, the Senate will recognize any member of the public that wish to comment in today’s session. I see there is one person. Floor Leader, for the appropriate motion please.

Floor Leader Pete P. Reyes: Mr. President, without objection from the members, I like to move to resolve to the Committee of the Whole to receive comments.

Seconded by Vice President Jude U. Hofschneider.

President Paul A. Manglona: Those in favor say “aye”.

Several members voiced, “aye”.

President Paul A. Manglona: All opposed say, “nay”.

The motion was carried by voice vote.

The Chair recognizes the Floor Leader Pete P. Reyes.

President Paul A. Manglona: I recognize Mr. Sixto Igisomar. Can you please come forward?

Mr. Sixto K. Igisomar: *Thank you Senate President and Honorable Members for allowing me this time. For the record, my name is Sixto K. Igisomar, and I’m here representing myself as an individual and at the same time moving on towards being a representative of the Retirement Fund. First of all, I apologize for the delay of my letter. I actually submitted one today to the Senate President and to the House Speaker basically asking the legislature to hopefully come to a consensus and pass the budget bill. I am sure that I am not the only one talking. I am sure you’ve heard them all and I am sure there are going to be a lot more people coming in today to speak to you and ask you, and plead with you to please come to a consensus and pass this budget. There is a lot of direct and indirect impact. The longer for every day that nobody is working due to the shut down, the one thousand individuals for personnel’s that are out of work basically is not bringing any food. It’s not going to bring any food. If people get paid, let’s say this coming payroll, if we get paid at all, if it’s not delayed again because there is no revenue then the next payroll which I call it the car payment payroll. Right now the payroll we are on is and I call it the cell phone payroll. This is what pays the cell phone, school supplies and all those other things for communication with the kids, but when the car payment comes I don’t know whether you guys have any loans, car loans or mortgages that will be the day that it will be short. So, the longer we go, right now we are going on towards the mid part of the week, another week goes by that’s a total one full payroll of no payroll that’s been earned by these individuals. I don’t know what we are hearing if they are rumors, but supposedly the*

amendment to the constitution specifically states that nobody will get paid. So, if that is the truth then how are we going to get our money? I don't know. I work. I'm a working staff; I'm out of a job, I have two parents, an in-law and a mother, who don't work. They rely on me just as much as I rely on them when they get paid from their social security or their Retirement fund. I go to them and ask for cash as well, but when you are already affecting employees that are working and yet still borrowing the funds from their parents or retired parents it's getting too complicated. We are going to come to a point where everyone is going to be impacted. The economy is going to go down. Now going into the Retirement section, for everyday I have estimated my numbers, my numbers are not too exact, but I have estimated that for every day shut down that is approximately a little more than one hundred thousand dollars of employee or employer contribution that is not coming into the fund. What does that mean? Oh it's just another lost, don't worry, it's just another shortage of revenue to the Fund. Yeah sure, but you add that to the current negotiation that the funds is doing with the Government. The current negotiation that the Fund is doing with the autonomous agencies and all those other senatorial districts in trying to collect premium or try to collect the employer contributions that are not even there, you add that. It's going to add up. Eventually, if we keep going on and I don't know how long we are going to go. If we go for another week, two weeks, three weeks that is revenue not coming in. So where is money going to come from? Eventually, as you all know the fund is going to rely on the small eighteen million dollars that we have. That's not a lot of money. It's going to disappear. So as much as we are trying to collect revenue from the employer which is the CNMI Government and now we are stopping the ER, and EE contribution, EE employee, ER employer. It's really going to affect the impact that it creates. Aside from that, for everyday that the employee is not working it means every day the employee is not making money to be able to afford to pay for their health insurance or life insurance. Again, who is going to pay for that? Just today I just got a call from the hospital asking me a question. Thank God I was there. Not working I was at the Fund earlier. Is this person covered? How can I even answer that question? I don't have the staff to answer that question. So it's hard, so Senators I am pleading and asking you please come to a consensus and make a decision because for everyday we are not working the premiums are not there to pay for their health or life insurance and if you go on for another week or two weeks there will not be a payroll at all. When there is no payroll these employees that are not paying into the health insurance group plan, there is no payroll coming from them. Sure we have some money from the Retirement Fund to pay for the retiree's health insurance premium. But there is none coming from the employees because they are not working. The entire coverage for the CNMI is a group plan. You affect that it's going to cancel itself. You cancel that it's going to affect the retirees. The retirees are hoping or actually the only leverage the retirees have for coverage is that the employees have coverage because without the active employees the plan will not be there. We need help. There is one thing I was looking at and I was not going to say much but somebody passed this paper out. We have a House version and a Senate version and again I apologize but it seems like there is a propaganda going on about who has the better bill, who has the better version, who has the better amendment. I think the fact of the matter is that there was a budget that was passed. There's a cup, it's full of gas and that's all I have. This is all I'm going to pay. I mean we had all this time; we were here before as Commerce. We were here telling you what we have, how many FTE's we have and you had all the hearings. And I apologize that those things were not sorted out but they could have been done a long time ago. Now we have again issues that we are blaming on another again. You know the House version bill is not going to do anything. The Senate version bill is very good. There is one section here that I am really pist off at is that the Senate bill early employee retirement. A savings of four million dollars. I don't get it. We already passed legislation by this body the legislature saying that there shouldn't be any further increases on the Retirement pension unless the public decides. The public have to vote for it. And I know that

there was, Senate President, just bare with me I am not getting out of line. Earlier, they came out from the House, there was some bills coming out saying that there is early retirement. Mr. President, that can't happen. We don't have the money to keep giving people early retirement. We are the only place in the world I can think of that gives retirement plan to individual's very early, twenty years service that was bad enough. We make changes on the law and tell them that sixty five years old you have to retire. You need to make that money be in the market to be making money to have a lot of money in order for us to retire people. We can't allow early retirement. I am sorry. I know they worked for it. We just do not have the money. Here is my example. I have a son and he is going to school and I am saving money for him for college fund. He is only seventh grade and all of a sudden, for example, my wife says honey why did you stop giving Junior his college fund. Junior is going to finish that college fund before he even graduates from high school. So that is the same thing that is going on here. Please, I understand you're saying that there is going to be raise of taxes this early retirement thing Mr. President and honorable members it's not going to work. I will argue against it. No more early retirement. Whatever laws you have now, allow that. I am obligated to protect the Fund and the pension, but I cannot protect it if you keep punching holes in my water tank. I have enough water in there and I am still trying to fill it up to make all the retirees - everybody the active members in the retirees to have funds but I can't do it if you keep cracking holes in it. It's the same story long time ago when we have CUC problems I have this big water tank but it's never going to fill up if the CUC keeps shutting off and the holes keeps getting bigger. So please let's not do that. The section regarding increase revenue and taxes, I am sure we can do that but at the end of the day it's going to go back to me and you. You increase taxes for this business to pay? They're not the one paying it. It's going to go back to the citizens. You go buy Coca Cola right now, actually Pepsi it's almost a dollar. You increase that tax, guess what? Maybe it's going to be dollar twenty five, dollar fifty. And I am saying that the budget I am sure is sound. Let's just follow whatever we have. You can iron out your differences later. You can raise your taxes later if you feel you need to raise the taxes but right now I am sure that the taxes we raise today is not going to be felt tomorrow. Let's go ahead and pass the budget of what money we have and later on after we pass this budget let's start talking about what other ways we can create revenue so that next year we don't have to be here. Next year we have more than what money we have, or next year we prevent it from getting lower. Mr. President, thank you very much for your patience, time and understanding and I hope we have a budget that is reasonable and passed by everybody. Thank you.

Floor Leader Pete P. Reyes: Thank you. On the Committee of the Whole, the Floor Leader chairs the Committee. The reason why we revert to the Committee of the Whole is so that maybe some of the members can ask questions to the witnesses. I know that the members are respectful because I work with them, but I want to remind them for the record to please treat our witnesses with respect and dignity and I ask that whatever questions they have, that it be related to the issue that was brought up. Thank you. Is there any member?

The Chair recognizes Senator Juan M. Ayuyu.

Senator Juan M. Ayuyu: Thank you Floor Leader. I just want to ask Mr. Igisomar, is there any judgment against the CNMI Government from the Retirement Fund? Court Judgment?

Mr. Sixto K. Igisomar: Yes, Sir.

Senator Juan M. Ayuyu: Can you tell me how much is that?

Mr. Sixto K. Igisomar: *How much is the judgment? I am the Chairman of the Fund, I manage and I counsel. Right now, if I'm not mistaken from two twenty to two sixty to two eighty. And that is public record Senator. Just so you know.*

Senator Juan M. Ayuyu: I want to ask whether that amount is included in the House version that was passed today. Are you aware of that?

Mr. Sixto K. Igisomar: *Just for information I was following you last week with your version back and forth, but after that I lost you. I do not know where you are right now as far as what that version is. I am here just to say please let's just have a balance budget.*

Floor Leader Pete P. Reyes: Any other member?

Senator Luis P. Crisostimo: Just two questions. You said that the early retirement will impact the Retirement Fund tremendously. If it was enacted with any changes in legislation that was one of your concerns, so anything in that regards, would it affect further changes in the amount of payment or contribution from the employer's side? Can you elaborate more on that?

Mr. Sixto K. Igisomar: *I will try to make it simple. The answer is yes Senator it will impact. Basically, right now I don't know. The actuarial figures are not thirty seven percent. The actuarial figure is up to fifty percent. Right now, we are paying thirty seven percent because we can't even afford fifty. That is already ridiculous. Thirty seven percent per dollar or fifty cents per dollar to pay for the Retirement Fund is ridiculous. If we took care of this a long, long, time ago when that Fund was put in place we wouldn't be here. If we stick to what it was when it was mandated to open we wouldn't be having these issues. But again, I am not saying anything its just practice. Something that us legislatures and the Government we keep changing and amending and increasing so of course for every time you increase the liability, every time you increase the amount that is necessary even if you have over a hundred members but if you start adding more members to it I am going to have to figure a way out to pay those members in the long run forty years down the line. But if you start adding people to retire early when we have already calculated that they need to retire at sixty five but you force me to have then retire early then I am tapping into the pension fund which I already reserve for this which I am going to have to figure a way out to make up for the liability. Let's say for example you retire these individuals who are going to affect me at ten percent I am going to have to figure how am I going to collect that ten percent which means I'm going to have to come to you and say to the Governor that I am increasing the employee contribution and employer contribution and it's already hurting. It's already hurting the employee for every percentage you increase for their benefits, retirement, health insurance, life insurance premiums it's already hurting. At the same time this already hurting the government for every percentage you increase in the government if this negotiation is not done Senator is it's not going to work. Even that we are trying to control. We can't afford for all this premiums to keep going up so yes. Your questions, what will happen eventually my liability will increase? I am going to have to accommodate that one person that retired early. I am going to have to make sure I have every dollar and every penny for that person for the rest of that person's life. That's why it is expensive. Senator, thank you.*

Senator Luis P. Crisostimo: I want to thank the Chairman of the Retirement Fund Board. On a later note or date, can you give me the numbers what would be the change from the current and whatever we are paying and the new fifty percent that you guys anticipate.

Mr. Sixto K. Igisomar: *If we allow an early retirement?*

Senator Luis P. Crisostimo: No, the new employer contribution that we will be facing maybe not this fiscal year but the next.

Mr. Sixto K. Igisomar: *I will do that Senator. I just wanted to add that the early retirement bill that you were discussing on this particular issue to try and give you some savings, first of all you need to put that on to an initiative for the voters to vote that you were actually going to do that first before we even go any further down that matter. Second, what that bill was asking as far as creating what I so called based on that bill ghost employees. That's another section we can discuss later after we have budget that is passed maybe we can discuss that. But right now all I am saying is the savings that's anticipated of four million dollars savings if we do an early retirement, I don't know if this came from you but somebody passed this out. It says Senate version and House version. They both basically are fighting one another. I am assuming its coming from the version that you guys have, from one of your staff or somebody.*

Floor Leader Pete P. Reyes: Any other member? Senator Jude.

The Chair recognizes Vice President Jude U. Hofschneider.

Vice President Jude U. Hofschneider: Thank you Floor Leader. Good afternoon to everyone here. Your comments are very clear. I just want to reflect on a particular segment when you're talking about early retirement. Actually, it's one of those policies that we are trying to institute by way of legislation and understand where you're coming from about inflating the liability of the government. Perhaps maybe making it fifty percent employer contribution, but this essentially would as a result of these negotiations and the work by the legislature to identify the funds to allow Class I members to opt out to retiring early paying their difference until the age of sixty two or whatever the law mandates now to pay the Retirement Fund so they can get out of the government. It's almost like attrition because the bill is in the House already sponsored by the good Senator, Senator Taimanao, asking the Retirement Fund to allow a loan and you just debit it out. I know that you guys are not supporting that so we are looking at ways and trying to be creative here and also to down size the government. I understand where you are coming from. It is not something that is going to happen today, but it is something that we ask that we work together in finding additional funds to do that. The employees opting to retire soon or ready to retire but cannot afford the thirty thousand that they have to loan at Bank of Guam or First Hawaiian Bank to pay the Retirement Fund this will help them so they can opt out of the government. This is the program and that's why its mention on this. Before I go further, just for the record the additional ten percent that is the judgment by the courts, what does that equate to based on the hundred and thirty two million that we are working with?

Mr. Sixto K. Igisomar: *I can't answer you on that question. Like I stated I do not know where your numbers are right now specifically on that on how much you are paying. All I'm going to say is the Government is short, very short overall. We cannot even negotiate or think about how else because the only thing we can do is try and squeeze water out of what you have. Right now you don't have anything. The government does not have any funds. We are just so happy for what payments we are getting and receiving and fortunate that the Governor is agreeing to the judgment negotiations and they are paying right now twenty percent. We are agreeing to that. That is good. It is not enough but it's good. We are fortunate enough to be getting something.*

Vice President Jude U. Hofschneider: I will refrain from further questions until later, but can you just answer that if you have any comments.

Mr. Sixto K. Igisomar: *Yeah, I just wanted to say that I understand these numbers, but these are numbers that I can't figure out nor the Senators, excuse me. We need to go through some actuarial calculations. My own calculator is not going to figure this out. If you want us to do this Senator than we need to contact our actuarian and actually make the calculations to see where can we meet half way, or what can we do. The bottom line is we are short and if you are talking about how can we help generate this, maybe if we actually and thank you for bringing this up, if we discuss the pension obligation bond and figure a way out to even have the CNMI be qualified to be underwritten to qualify to take up some debt if that POB goes through from the voters, I know it only says two hundred, three hundred million dollars, but if you give me five hundred or six hundred million dollars and you're going to have to go in debt for that which I don't know if the public is going to agree that far but a little that you give me two hundred million, three hundred million that gives me a lot of numbers. A lot more numbers to be able to maybe and I'm not going to promise this but maybe if I get that in and I put that money in the market and fluctuate with the way the market in right now although it's not too favorable months and months ago, but now it's looking good. But if I play with that number who knows maybe my numbers might lower down. My thirty percent requirement or fifty percent requirement of employee, employer contribution might go down to twenty, fifteen, ten percent because I already have all the money. The problem we have is all the money was sucked out a long time ago. We are just trying to replenish it. So maybe that might be an option where we all go out and help whomever is out there try to advocate for this pension obligations educate the public that might be a way to help the fund out so that it can remove that debt form the government and maybe can give me more leverage in negotiating this budget. Again, like I was saying Senator, this could be discussed later not now because it's a number that is not a fact.*

The Chair recognizes President Paul A. Manglona.

President Paul A. Manglona: I am going to prove that number is correct, Mr. Igisomar, but first let me thank you. We really appreciate you taking the time and courage to come here and speak to the members of the Senate because actually this is the type of conversation that we should be having since February, March, or April of this year with our counterparts in the House. The budget hinges on revenue generating measure and that's the way to soften the blow on this Government. We need to cut the size of government both personnel and operations. At the same time, we need to talk about revenue generating measures and we are going to be calling you back in the next week or so to talk about this. But let me just ask you, I want you to put on your retirement hat on now and I appreciate it. Let me just ask you, are you aware of House Bill No. 17-40, SS1 that is sitting in the House?

Mr. Sixto K. Igisomar: *Which one will that be?*

President Paul A. Manglona: House revenue generating bill is House Bill No. 17-53, SS1; I want to make sure that we are talking about the same early retirement program because I know there are bills out there on the early retirement, but I want you to write this down. House Bill No. 17-40, SS1, and House Bill No. 17-53, SS1 and seriously look into that and evaluate that and I am sure that when you look at the numbers you're going to agree with the Senate that it's going to raise four million dollars at least. I can do that numbers quickly right now, but let me ask you this first. What is the average salary can you guess of those that are within three to five years of retirement? In other

words, like around fifty eight, fifty nine years old, what do you think in government today is the average salary? Would you agree with me that it's around thirty thousand dollars minimum? Would you agree with that?

Mr. Sixto K. Igisomar: *Not to agree with you but I will nod my head and say yes.*

President Paul A. Manglona: Multiply thirty thousand dollars times a hundred people that's three million right? Okay, that's three million. When you take the thirty percent that we have to pay the Retirement Fund for just- nevermind the other benefits just the retirement contribution, thirty percent of three million that is nine hundred thousand right? So, the three million plus the nine hundred we are talking roughly four million. Basically, that's where the four million came about. I know when you go back, you're going to find out that is going to be more than that when you add up the other benefits that the Government will have to forego once these people retire from the government. I think the bigger questions you raised earlier, that we are changing the law with House Bill No. 17-40 or with House Bill No. 17-53, the one that I just pointed out to you. We are not changing the law because presently let me ask you this, and you just give me a yes or no. If I were two years below sixty two, under the present law if I go to Bank of Guam and I compute my two years of penalty times three percent every year that's six percent and if I pay you assuming the total is fifteen thousand today, under the present law, if I pay you fifteen thousand I will retire as Class II right?

Mr. Sixto K. Igisomar: *Yes, Sir.*

President Paul A. Manglona: Okay, so we are not changing the law. We are just saying it's not fair that today under the present law, only those people that have extra money with a savings account in the bank can actually get a fifteen thousand dollar loan and go to the Retirement Fund and retire. What we are doing with this is with the money that the Government is going to save maybe a million dollars, maybe half a million dollars and then give it to Credit Union so that poor "Mister" so and so who does not have an extra savings in the bank can go to the Credit Union get the fifteen thousand and go to you. That's not changing the law. We are just saying give that poor person fifteen thousand so they can retire. Right now the law is not fair because only the rich and the well to do people can go to you, and pay you the fifteen thousand. This is all that we are trying to do under House Bill No. 17-40, and House Bill No. 17-53; we are not trying to change the law. We are trying to make funds available for the poor people so that they can also avail of what the present law has. At the same time, the government can retire these people out and let me just tell you that the provision under House Bill No. 17-40 and House Bill No. 17-53 says that you cannot fill that newly vacant position for six months and if you are going to fill it after six months you need the legislative's approval because it's not going to be like the past where you retire and you fill that position immediately; we can't have that anymore. We have to start cutting down the number of FTE's in the Government. I am going to encourage you to work with us and when you work with us that you look at the numbers you are going to agree with us. I have been mentioning this to the Administration, to the House, and to this body and I think we need to think outside the box and this is one way. We are going to let them retire. We are not going to hire anyone to fill the position unless they are nurses or doctors or unless the whole legislative body approves it. I am just going to keep it short. We need to look at the budget, but I am going to ask you to help us, work with us, and we are not going to point fingers; we are going to move forward. Thank you.

The Chair recognizes Mr. Sixto Igisomar.

Mr. Sixto K. Igisomar: *Thank you Senate President. I understand what you are saying. I read those bills and there are some areas that are specifics that we don't agree with and yes, I am agreeing with you that it takes time to review them. All I am trying to say is I just do not need another budget hiccup. All I am asking is those are numbers that will come later. Those are things that are not a guarantee that we are going to have it. I am just saying that with respect to this budget passage negotiation if you go ahead and pass this and goes down to the House and they don't agree to it again because they are basically going to say the money is not going to be there and the budget is not balanced if the money is not going to be there at all. So, all I am saying is yes, but those are long terms we can work with. The only thing I will just close with Senators is normally when you start giving, and I understand what you are saying about somebody is poor and you have to make the money available, but normally those kinds of decisions and pension funds are not made unless you are at least close to one hundred percent funded. We are not even a hundred percent funded. We are not even fifty percent funded. If you are going to ask me yeah, maybe we are below forty percent, very close to forty but not even forty which means we have about more than sixty percent money we don't have. So that's all I'm saying Senator, yes it will require to work with it, discuss it at a later time and all I was using this number for is this is four million dollars that is not there and I am sure they are going to be challenged again. Somebody will challenge it. The House will challenge it and say so where is it. If you are telling me its coming to make up your ten million dollars shortfall, where is it? And that's all I am saying is that lets just "agree to agree" or "agree to disagree" and just pass a budget that's balanced so that we can move forward and make the changes later. Thank you.*

President Paul A. Manglona: Before you leave, you seem to be implying that the House version is a balanced budget? Are you saying the budget is balanced in the House version?

Mr. Sixto K. Igisomar: *All I am asking is for the legislature, Senators and we are here today because you are part of it.*

President Paul A. Manglona: No, because you mentioned that and I wanted to ask you if you know that it's balanced because I don't know if you know its 4.5 million dollars not balanced. Okay.

Mr. Sixto K. Igisomar: *Thank you Senator. Thank you.*

Mr. Michael Ada: *Good evening Senators and Senate President. Thank you for the opportunity to speak to this body regarding the passage of a budget. For the record my name is Michael Ada, I am the Secretary of Commerce in the CNMI and my comments will stand around my role as a department head and the role in terms of leadership for my department. My department is on that when I came on board was not funded at all by any federal dollars. Because the local appropriation to my department for fiscal year 2009 fell below a million dollars I had no other option but to start looking for federal grant money to staff my enforcement divisions, my ARRA office, and my military offices. Where I went from zero percent of my work force that was funded under federal now twenty percent of my entire department is funded under federal government which means that I have eighty percent of the people that I had to look in the eye on Friday and tell them that they couldn't report to work that they have no- whether or not they wanted to volunteer was irrelevant. These are people that need to put food on the table. The CNMI doesn't have social net programs like unemployment insurance, things along those lines to help people in these situations so it's a very difficult pill to swallow when you can tell part of your work force that they could show up to work or the other half cant show up to work. And so I want to make my comment based on having to swallow that pill.*

Every day that I am at work there is somebody who is less fortunate than I am that is willing to work just as hard and willing to put in the hours and show the dedication and integrity that can't come to work. Not because of their performance, not because of any lack of leadership on my department level but because the constitutional mandate that's in place now and the failure of the legislature to pass a balance budget. I understand and I respect the roles of the Senate and the House but from a layman stand point coming down to my employees level it's frustrating from their level to look up at the leaders they elected and see, and you have to understand they see it not from the prospective that you're seeing it. They don't see it from the numbers point. They are not in the committees. They are not looking at the details like you guys are. What they are seeing is that during the campaign and during the election time promises were made. The one thing the public expects, my employees expect, and I expect as a citizen is that two bodies of the legislature who were given more than an quarter, more than three months to debate to take to department heads to figure out the numbers could not come to a consensus by a stated constitutional deadline. And that's the frustration that I have as a leader because my employees are not going to come up here and they are not going to tell you this. They are not going to verbalize it in the way that I am doing it because they don't feel comfortable doing that. As a leader I feel the responsibility to speak on behalf of my employees. And these are the people that elected this body into office. So I am asking you and I am employing you on behalf of my employees that won't talk, or that won't speak up please do your best to look at the budget and live within our means. I understand the Senates position on revenue generating bills. What you don't hear for the last three months I've been at the Chamber of Commerce General memberships meetings and defending the Government tooth and nail. Today, my back was against the wall. I went to a general membership meeting and Mr. Calabrese here can attest to this that I had to get up and explain to the membership what the situation really was. Not what the papers wanted to reveal. Not what the news coverage shows but what the actual situation is. Hopefully, that gave the business community a sense of understanding of what the issues really are. In terms of revenue generating bills I have encourage the legislature continuously to look at fines, not fees, but fines. The business community represented by the Chamber all pay their taxes. These are folks that when you start imposing excessive fees, you're going to drive some companies out of business. The cost of doing business in the CNMI is just going to become so great that it's not even worth doing business here anymore. Instead of penalizing those law abiding, taxpaying business entities by increasing fees why not penalize those folks who are not playing by the rules. Those folks who are selling alcohol to under age minors whose only penalty is a fifty dollar fine. When in other jurisdictions those fines exceed five thousand dollars on the first offense. When you're talking about revenue generation, why do we want to penalize those law abiding business entities and allow the enforcement side to go unnoticed? If you want to generate revenue we have enforcement officers that are federally funded, that will go out there and crack heads and fine people and we can collect there. I would urge this body both the House and the Senate to look at those measures as oppose to measures which impact those people who are already playing by the rules because eventually when you start raising fees to the point of where it's no longer feasible to do business in the CNMI those projections that you've developed are going to fall way short. I am certain that this body's contemplated that the further that you increase fees the less that you're going to get in terms of actual people willing to pay those fees. It's almost like pricing yourself out of competition. I will close by saying because my office is a state lead on the ARRA there has been a tremendous amount of concern from our Federal counterparts on our ability to continue managing the projects and insuring the maintenance of efforts and things along those lines from a variety of grantors is met. I was talking to the SBA yesterday and they said, "Hey how long is this Government shutdown going to last because you've entered into an agreement with the us that you were going to provide X, Y, and Z services." But I can't provide X, Y, and Z services because there is not balanced budget passed so people can't show up to work. This in essence places us in violation of numerous grant

terms and agreements that we've entered into and I believe it's an unintended consequence and I hope the public understands that it's the sincere believe that nobody intentionally wanted to shut the Government down. I think what we are dealing with is a disaster. Again, I urge this body to please consider living within that balanced budget and let's deal with the revenue generation afterwards. Again, I understand that sixteen and eight hour cuts, there's a big difference there. There's a lot of savings on both sides or whatever but it's the task of this body to determine that so with that I will end and conclude there.

The Chair recognizes President Paul A. Manglona.

President Paul A. Manglona: I want to thank you again Mike. I encourage you to sit down with the House and the Senate because you've got good ideas. As you mentioned, you talked about the enforcement and I think we need to look at the enforcement side because we've been hearing about under reporting. Do you have any recommendation that you have given to the House or to the Legislature now with regards to what you stated earlier?

Mr. Michael Ada: *Yes, as a matter of fact I have. Just so that you know, my department has not shied away from increase in specific types of fees because we recognize that a lot of the fees haven't been touched in X, Y, and Z.*

President Paul A. Manglona: Can you share those with us?

Mr. Michael Ada: *Absolutely.*

President Paul A. Manglona: I know that we cannot initiate those kinds of increases or revenue generating measures, but if you can share with us we really would appreciate it.

Mr. Michael Ada: *My office will be more than happy to share that information Mr. President.*

President Paul A. Manglona: Thank you.

The Chair recognizes Senator Francisco Q. Cruz.

Senator Francisco Q. Cruz: Thank you Mike for raising that issue about fines. We summoned Secretary of Finance, and the person at OMB, Ms. Virginia Villagomez. I mentioned that we need enforcement to go out and enforce regulations but their answer is there is no money to hire enforcement and there is not enough enforcement. The only way to collect money is to be strict on enforcement, so thank you for raising that concern Mike.

Floor Leader Pete P. Reyes: If no other member, just a question, have you seen the proposed legislation on revenue generating measures?

Mr. Michael Ada: *No, Senator I haven't and unfortunately as the previous speaker mentioned it just became too tedious to try and keep up with all the different versions so I am just kind of waiting to see whatever the final or last version is to be able to weigh in on it.*

Floor Leader Pete P. Reyes: I think the bulk of the legislation is about sin tax and this is about taxing alcohol, tobacco, cigarettes, sweets and so forth. Actually, this measure would cut down the

government's expense by way of health from people that smoke, drink a lot and even the sweets. These are the types of revenues that the Senate is seeking and you feel that these types of revenues are detrimental to the existing businesses on the island?

Mr. Michael Ada: *My personal opinion, I think it depends on how much. Because there is a tolerable limit and when you exceed that tolerable limit it starts impacting sales and those types of things. When you tax it so much where it doesn't become feasible for people to even start selling these things then we loose all that generation. I guess when it really comes down to your question I agree that there is a health cause to those particular commodities but I think from a business stand point there is a tolerable limit where consumers are only going to pay so much to smoke and then you start loosing total revenue generation. While you may avert somebody going to the hospital for emphysema that particular business may end up going out of business. I am not saying on cigarettes alone but again with all taxes we should be contingent of tolerable limits. Really, Senator the frustration at least what I heard at the Chamber this morning was that nobody's talk to them about these types of things and I don't mean to speak on behalf of the Chamber but this is what my observation was during the general membership meeting today. Again, as I set before I haven't been opposed to increases in certain fees or what not because some of our fees are antiquated. Some of our fees haven't been touched since the seventies but when you look at the current state of the economy one of the things we need to look at is evening out the playing field and making it, you know getting rid of the bad guys and enforcing that and lets collect from them lets collect whatever money is left on the table.*

Floor Leader Pete P. Reyes: Mike, I know this is a policy decision, but I just want to pass this through you. At the risk of imposing a higher tax on sin tax as listed earlier and the consequences of that, people quit smoking and begin to drink moderately. We get to see our people's health improve and the cost for the hospital to provide care for these people begin to show a substantial decrease. As you know, the Medical Referral Program is one of the highest costs in government. Would the risk be worth the chance introducing this type of legislation? What do you feel about that?

Mr. Michael Ada: *My opinion is that it's speculative long term approach and in utopia in an ideal world if we raise it to the point where nobody wants to do it anymore obviously that would be the risk reward factor. Yeah we say we would tax it so nobody smokes and everybody is healthy but I think the real world dictates that doesn't matter what we are going to charge people are going to find a way to smoke if that's an addiction they have. What that means is that essentially now I eat two meals a day instead of three meals a day because I have to buy my cigarettes. I mean those are some of the factors that could be considered as well. Ideally thinking and I follow what you are saying Senator is that when you raise it to a limit it deters people from engaging in that activity which then creates a long term benefit for health but I think that's ideal. I think reality dictates that if you raise the cost of cigarettes for me and I am an addicted smoker that I'm going to take whatever money I have and I am going to change one habit here to support this habit. I think when you talk about sin taxes and those types of things, those are some of the dynamics that I think reality would hit.*

Floor Leader Pete P. Reyes: I just wanted to ask that. I don't vote on tax increases as you probably already know, but I wanted to ask what you feel about increasing those that are related to the health of the community in the CNMI. Again, thank you for appearing in the chamber and sharing your ideas. Senator Crisostimo, do you have a question?

Senator Luis P. Crisostimo: Thank you, Floor Leader. Mike, just one question. On the ARRA, the federal program that we extend to our workers within the Government, do you have an estimate when these funds will end and do you have a number?

Mr. Michael Ada: *The programs end in September 2011, so all the ARRA funds are to be expended by that time. There is a grace period of I believe sixty days in order to close out books and do all that good stuff. I am sorry, one quarter and not sixty days to close out books and do all the final reporting but those funds are good through 2011 so some of the ARRA funded positions within the Government are scheduled to end October 1, 2012. A lot of the projects that we currently have under way are scheduled to be completed by that time frame as well.*

Senator Luis P. Crisostimo: You don't happen to have a number in terms of the wages since we pay these individuals that are supposed to be paid by that.

Mr. Michael Ada: *For ARRA funded positions within the Government it varies from program to program but for construction like when we contract out services they have to adhere to certain – like Davis Bacon wages acts and all the good stuff. From the private sector there is a minimum threshold, but from the Government sector where position like school teachers and counselors and the energy auditors and those types of folks, those ranges fluctuate, but I would guess that some are an average of probably about twenty eight thousand average across the board for Government public sector. The Private sector for the people who are earning wages there they would at least be minimum wage, at least. I can't tell you what the private sector pays.*

Senator Luis P. Crisostimo: So twenty eight thousand bi-weekly?

Mr. Michael Ada: *Twenty eight thousand per annum. That's an average because some folks get paid forty something, some get paid twenty. I am looking at- that's a rough estimate twenty eight thousand. I would eventually say somewhere in the range of thirty thousand would be the average salary for ARRA funded position.*

Senator Luis P. Crisostimo: Thank you.

Mr. Michael Ada: *You're welcome.*

The Chair recognizes Senator Francisco Q. Cruz.

Senator Francisco Q. Cruz: Thank you Floor Leader. You mention earlier to pass a budget and pass a revenue generation bill later?

Mr. Michael Ada: *Yes, Sir.*

Senator Francisco Q. Cruz: And you believe that what the House passed, the sixteen hours is a balanced budget?

Mr. Michael Ada: *My assessment, and again without looking at any variations, my understanding is that the one thirty two projection and the sixteen hour reduction per pay period as well as the thirteen unpaid holidays, falls within that budget. I believe and again I haven't looked at any amendments or anything along those lines but just from how much we have and how much we can*

spend, I believe that the sixteen hour per pay period plus the thirteen unpaid holiday balances that budget.

Senator Francisco Q. Cruz: According to our meeting last Monday from seven all the way to one thirty according to the Lt. Governor, even if we include the sixteen and all unpaid holidays we are still not balanced. We are still short four point something million and I don't know why they keep saying it's balanced, but it's not balanced.

Mr. Michael Ada: *I apologize I wasn't previewed to that conversation. I am not sure whether or not that estimate is because of an additional liability outside of payroll but he is the expert on this. I guess what I would say is sixteen hours and thirteen unpaid holidays I guess is closer to balance than eight hours and seven unpaid holidays. That would be my position. It's closer to being balanced than an eight hour reduction and seven unpaid holidays. Although it's not balanced in terms of the additional outstanding four million its closer to being balanced than the eight and the seven.*

Senator Francisco Q. Cruz: I just want the people to know that I don't know who is telling the truth, the Administration or the lower house. Because every time they send us a bill sixteen plus all 13 non-paid holidays are balanced, but like I said according to the Lt. Governor we are still short by four point something million. I am not convinced of what the House is proposing. Thank you.

The Chair recognizes Senator Juan M. Ayuyu.

Senator Juan M. Ayuyu: Thank you Floor Leader. Thank you Mike for coming and sharing all the good information to this body. However, I just want to share with you when you mentioned that sixteen is closer to balancing the budget and eight is not and thirteen and ten on the unpaid holidays. However, on the House version it doesn't mention any numbers to cap those. It allows the law and gives the Administration the flexibility to even go to eighty hours. For that matter, I want to ensure that the workers are capped on a sixteen hour if that's closer to balance or even eight. However, on the bill it doesn't stipulate anything and it was transmitted to the Senate today. Thank you.

Mr. Michael Ada: *Forgive me, I guess the answer Senator Cruz's question, I understand that there is an outstanding liability of four million and from what I understand the flexibility for department heads to reprogram would account for that shortfall. And again, I heard this through the Chamber who heard it through sitting in sessions or what not, but again I am looking at it from what is closer to being balanced. That's my position. I thank this body for taking my comments. Thank you.*

Floor Leader Pete P. Reyes: If there is no other member, Mike, thank you very much. We will take that into account.

Mr. Michael Ada: *Thank you very much.*

Floor Leader Pete P. Reyes: Is there anyone else?

The Chair recognizes Ms. Edith Deleon Guerrero.

Ms. Edith Deleon Guerrero: *Good evening Mr. Senate President and fellow Senators. My name is Edith Deleon Guerrero. I am the WIA Executive Director. I appear before you tonight not only as a*

Director but also as a mother. I am also standing for the rest of the people out there that are suffering. It is interesting tonight that we talk about life insurance and medical insurance. I was a life agent for more than ten years running the largest company called Prudential and it takes me back to my experience as an agent. It's very true, I am not too sure how versed all of you are? Perhaps you all are but life products consist of whole life, universal, term life. Now group life insurance is employer shared contribution and often times its double the annual salary of the employee. My understanding of term products and consider this for yourself, I am speaking to you into your hearts, you are all parents, you all have homes. I am sure all of you have mortgages to pay. Should anything happen to you tomorrow and you have a term product and your premium is not paid, guess what? That life insurance policy that face value is not going to be paid. What's going to be paid is only your premium payment. So imagine your family, your children in our culture we always say, be rénsia hamyo famagu'on hu ni guinaha hu. Bai na'i hamyo ni tano yan i guma yanggen matai yu. Konsidera este gue nan gin sakasu guaha matai agupa ya miembro gi group life insurance pot rason na ti mapapasi iyo-na life premium realize i impact gi famagu'on yanggen man dikiki and they are not producing income i owner eyi na guma i banku. Siha gumogkoti i lien hold. Parehu ha yan i kareta yanggen man hayao hit salape gi banku ti iyo-ta i yun i banku. i familia man anonoku eyi na proceeds ginen i nanan niha yan tatan niha para hao apasi kosa ki siña hu sasaga i kisami gi hulu niha and they will not be homeless. A lot of our people out there more than a thousand families, children are hurting. The indirect impact to the kids, domestic violence increased in the home. We don't see it but we hear about it. Mom and dad are fighting because the money is not coming in anymore. Maybe they are not receiving food stamps. The indirect pain is inflicted on the kids. They can't focus in their classrooms because mom and dad are fighting. It hurts. I am a mother. My children are not experiencing this but honestly when I look outside, I run a program for individuals that are looking to better their lives. I have to cancel appointments for assessments because my case managers are not in the office. It hurts me. Today, Senator Taimanao we missed an outreach program for juniors and seniors on Rota sponsored by PSS. WIA was supposed to be down there to work with the kids. It breaks my heart. I got a call from Rota and all I could say to them is I'm so sorry my staff can't come to Rota because they are not working. It hurts me. It kills me. These are kids that are at risk looking for a better life. Some of them are drop outs, some of them come from broken families, some of them are looking for the next opportunity and WIA makes it happen for them. This week is payroll. A lot of my kids, my trainees I call them my children, they are like my kids. I am like their mother. Am I going to get paid this Friday? I said please call me on Friday because you know what, Finance is not operating either. Who's going to cut the payroll? Who's going to push that button to print the checks? Federal Grants, guess what? Who is going to do the draw downs? Prompt payment act to vendors, who is going to do that? I get emails. I get text messages. Edith can you do something? I said I am so sorry. I can't do anything. No one is there to call. I can't call payroll and ask are you guys printing the checks this Friday? Their net pay honestly my trainees after deductions is only three hundred dollars. Imagine? Imagine that? Three hundred net pay that's a lot for them. This Friday, I don't know. My staff they are hurting. I am hurting. I bleed, I cry, I held up a sign and it's a message from mother Teresa. All of us I know todus hamyo man maulek i korason miyu. Todus hit man ma fanagi ginen i man amkota chogue is maolek. Cho'gue chechu miyu. Na para i pinadesin i publiku. Na para i penadesin i halom guma. Ataha i problem, attan i budget, strike a balance. Faguentus, fan adigani, fan ana'i respetu, man taotao hit, man kiliyanu hit. Yanggen hita man agan na man kilisyano hit, maila ya ta cho'gue i maolek tan fan pasensia ya ta na para i pinitin i tano sa bai sangani hamyo gi betnes anai ma susedi este gue man nungun yi Saipan kulang dánkolo matai. Silensio i tano ni manglo' kulang ti siña man guaife. And I'm not being funny here. That's the reality. Those are the indirect impact that's happening. Who knows maybe some of the kids are thinking of going and

burglarizing just so that mom and dad will stop fighting. Just so that they can help make ends meet in the wrong way. We don't want that. We want our society to get back to normal. We understand that we have limited resources and people are willing to work that and make ends meet with very little that they have. I am pleading before you, all of you I know, and I sincerely know all of you. Kumekentos yu ginen i fundamento korason hu Komu nana yu hu respeta hamyo todū na puengi. Hu gagagao hamyo pot fā bot passa i budget, fān a' respetu ya ta na para este na pininiti gi tano ta. Si Yu'us Ma'ase.

The Chair recognizes Senator Jovita M. Taimanao.

Senator Jovita M. Taimanao: Thank you Floor leader. Good evening to all who are present tonight. To you Edith, it takes a lot of pride to sit out there. All of us feel the way you do. All of us are parents and we feel the way that you have shared. I am very happy that you come up front and share that with us and I wish that you took a step also to share that in the House of Representatives so that both Houses will feel the way that you do and will understand the situation on the family side as well as the Leadership side. We had been compromising to work together to pass this budget. However, because of the differences in the perception of the budget bill that is why we are like this. But I would like you to know that we appreciate all your words that you are sharing. All the fundamentals of your presentation and to all, I respect you and I thank you for coming tonight. Edith, *dānkolo enao na sinenti. Si Yu'us Ma'ase.*

The Chair recognizes Ms. Rita Castro.

Ms. Rita Castro: *Good evening. Si Rita Castro yu. Man jaiken pu hami gi huyong hayi para ho halom sa your looking at the bare bottom. I am the community you are representing. Dispensa yu pa'go na puengi. It takes me a lot to push me to come to you guys. Lao esta quarto dais. Hu tungo ha na man ma chochochu hamyo. Hami ti man ma chochochu, ti man a papasi hami. Hami pumolu hamyo halom guenao. Eyi gue na hu sangan ya komu nervous yu taiguini yu. Hamyo sa man totogue man kukeuntus bota yu. Guahu gaige yu gi santatte hu ékungok hamyo. Hu komprende i hard balling and all that but I am begging you, I'm begging you all. Hunggan bai hu utot i kálulot hu pot i bisinu hu. I'll give up the sixteen hours. Ya taya para hao ma lay off say hayi tumungu hayi ma lay off? Guahu finéne'na ma lay off. An bai supotta eyi pot i ochu oras ha na disisias ya todū mankabales. Gi lamasa man ma apasi maseha dias pesos i uno ochu pesos eyi gue na hu gagagao hamyo pot fā bot ti hu tungo hayi bomota hamyo lao hu tungo ha na citizens like me put you in. so I am putting a face to those voters that put you in there. Please the Governor is not going to sign anything but a sixteen hour sa ti malagu na para un sangan i un putsona na dispensa sa tisiña hu apasi hao. Malekña dididi ta fān – That's how we grew up- este mama hu angen taya mamaña i bisinu hu lamitá hu na'i. lamitá but I have the whole. I chew the whole thing. I'll be more satisfied. Lao i am willing to give my neighbor the other half. Enao gue na klasen taotao, we are willing to give a finger a hand to the neighbors. Pot fā bot hu gagagao hamyo todū. Lets all share. Ti hu tungo pot numbers and anything eyi ha hu tungo i ko para hu guaha check gi Betnes pat taya. Lao an sigi hamyo man hard balling, is that what you guys call it? Or you stand on your ground? Ti siña debi na ta fān give. Ya esta i gobietno ha na'i hamyo – I sixteen hours ni pot para hu balancia este we are sacrificing a lot. Lao pa'go esta forty hours we are not going to get paid. That's more than we ask for. That's more than what the Governor is asking for. Please I am begging you all. This is the face of your voters, begging you. Si Yu'us Ma'ase.*

The Chair recognizes Senator Francisco Q. Cruz.

Senator Francisco Q. Cruz: Thank you Floor Leader.

Floor Leader Pete P. Reyes: I am going to repeat myself. Please, I know that all the members here are very respectful and courteous but again, treat our witnesses with respect and dignity. Thank you.

Senator Francisco Q. Cruz: Thank you Floor Leader. This is for Ms. Castro. *En chachagi manu siña gi senadót taimanu ni para ta satba este problema. Eyi un mention i para hu ma aksepta i sixteen hours sa hu li'e ha gi huyong na un gogo'te sign para ta pass i Governors budget. i original na Governors submission ten hours ha malaguña. Twelve point five percent. Eyi illék-ña ni ha submit halom. Enao un gagagao ni para hu ma pas i sixteen yan i todudu i holiday sa siempre taya ma layoff gi Lunes illék-ña i Lt. Governor i sixteen ya eyi todudu ni guaha na holiday siempre guaha ma layoff sa i balansa i budget. Guaha four million ta'lo tetenhan ya ti babalance ha. Pues en chachagi manu siña ni para en protehi hamyo ni pupbliku sa ti para bi fan give up ha. Para bin protehi hamyo munga lokkue ni para ta fan mafababa ney ya i malago'-ña ha ni para ta tattiyi ya para ta sotta. Ungan dinanche hao. Hamyo bomota ham pumega hami halom para bai protehi i ínteres miyu. Eyi gue na en chachague manu siña. Enao ha en gagagao hu. Pagu esta gaige hami gi dosse oras. Lao ti man malalagu ha. Pagu an ma ayuda hit ni pupbliku ya man malagu todudu ni sixteen hours hu fan matu ya bin ma sangani ya ti bin fan ma blame yan sa anaku este. Un año este na cut eyi na fan pasensia hamyo sa en chachagi manu siña ni para bin satba lokkue is probleman miyu. Todu hit man ma sasapet. Ti yan mami na hu fan ma sapet sa hamyo komusenta hami guini para bin gobietno hamyo in good faith ti para bin fa'baba hamyo ni pupbliku. Este ha Si Yu'us Ma'ase.*

The Chair recognizes President Paul A. Manglona.

President Paul A. Manglona: *Ms. Castro ya'ho na para bai na tungo hao na hami ni gaige i pininiti gi san hilu na guma. Ya bai na komprende hao ni enao. Komu para ta passa balansa na budget debi benti kuarto oras hu fan ma utut I publiku gi paguguha debi benti kuarto oras sa guaha dosi miyón tetenhan nu i retirement yan i Medicaid yan i health insurance. Guaha dosse miyon tetenhan. Yanggen bin aplika eyi siempre bin utot hamyo benti kuarto oras. Pues ti nahung ha ni enao. Yanggen ti guaha sensia gi san papa na guma ya man passa nu akto talu ni eyi in fafaisen siha ni ma prometi ham guini gi Lunes na chatakmak manana ha gue na para hu fan session ya para ho ma pass revenue generating bill. Esta un año na en faisen esta pagu ti mafatu hulu sa siha ni debi ma tutuhun ti siña ham guini. Pues en kiki fetsas siha na debi hu fan matinas akto para revenue talu ya ti man malagu. Pues angen hu manao un año bi guarantee hao na otro sakkan siempre illék-ña na debi ta utot kuarenta, sinkuenta pu seintu gi suedun miyu. Pues hami en kiki fetsas siha. Sa maila ya bai sangani hao. Amerika komu guaha taotao man ma fatinas lets say fifty thousand i suedunia eyi na taotao gi taxña amerika kinsi mit gi sakkan. Eyu na taotao taxña guini five percent times fifty that's two thousand five ha taxña guiya amerika kinsi mit. Guini dos mit kinentos taxña pues ti man malagu. Ti man malagu na ma tax sa i bisness para hu ha lokkue komu i bisness man ma fatinas sinkuenta mit eyu na bisness amerika taxña kinsi mit guiya CNMI iyo-ña tax dos mit kinentos. Lao illek mami maila ya ta fan na apasi talu kinentos ha mon kada enao sa guiya amerika kinsi mit guini dos mit ha. Maila ta gagao talu maseha kinentos. Munga sa eyi fan matai un. Munga sa man matai siempre enao na bisness. Lao ti man luhan na hu fan matai, hu fan ma amot i guma ñiha, hamyo, hita, famagu'on ta i maneluta siha guenao huyong. Illék-ña ahi dagao ha guato yan ribaha trenta pot sientu. Amot ha dos sientos gi mes pot gi kada payday sa siempre balansa illek mami yanggen ginanagao enao nai ham nubenta dias ha. Nai ham nubenta dias ya ta futsas i*

san papa yan i san hilu na guma ya hu fan matachung kada dia kada dia ya ta attan fan enao sa yanggen i eyi i rebate, un hungok ha pot eyi rebate? An utimu i sakkan ha ni ma nanahi hao check dalai ya hu fan matai eyi magahit na business hu los prohimos yanggen matu i utimu i sakkan ya illék-ña lani sinku mit ha manaihu gi gobietno na rebate ya debi nu sais mit. Lani basta bi huchum business hu sa debi sias mit bai ma nai lao sinko mit ha yu ma nai. Man luluhan ni enao no ma huchum siha sa para ta chili un mit pat kinentos ha lao ti man luluhan ni eyi otro simana ha ma utot eyi trenta pot sientu dos sientos ma amot kada pay check ya un tungo na, ti hu tungo na ko un tungo na esta bula na taotao ta man ma amot gima ñiha. Pues i senadót siha illek niha maila ya ta go'te eni kángheloña na guaka na kabayu or hafa ya ta na li'e na debi ta fan ma cho'cho, ya munga man ma'a'ña. Bai sangani ni este klaru komu gi representan pupbliku guaha conflict of interest ngai'an na hu ma passa este revenue generating bill sa hafa? Man ma'a'ña sa bula guenao business gi gon pun campaign or makatayi donate fan para i campaign hu maseha five hundred dollars, thousand dollars pues eyu pagu na business man siha man lliko guini adahi non passa enao. Man matai ham siempre. En huchum i business pues hamyo ni man na'ma'se' taya representin miyu sa siña bai patek huyong unu na taotao Sansanaya pat taotao Sinapalu pat taotao Kagman sa ti ha tungo hafa ma susesudi. Ti metgot voice ñiha. Lao an man agang si Mr. Smith, pat si Mr. Jones ya man ma agang man kietu sa bula salape ñiha ya man luluhan na hu ma pacha sinko mit gi profit ñiha. Pues guahu Marianas ha ni guaha na tano i rebate. Hanao para California, hanao para New York, hanao para i bisinuta Guam. Man ma'a'pa'pasi – eyu na taotao man a'pa'pasi kinsi mit, dos mit ha dos menus gi ha a'pa'pasi pues ti illeklekta para ta puno lao maseha dos mit kinentos pat tres mit apasi i gobietnomentu sa tax ta enao, tax ta lao ta na'i tatte sa antes bula salape ta gi tiempón garment siha, bula salape ta pues illeklek ta maila ta na'i tatte. Pues matu i tiempo nai diskridao siha i man magas pues pagu hafa na yanggen ti balansa nu benti miyon para ta amot i man ma cho'cho siha? Munga hit na ta utot i gastun i gobietnomentu? Pat munga hit ta tax dididi eyi amigo ta siha ni man business man. Ma unu na propose hu tugi'i, illék-ña poker machine ta hatsa thousand dollars ta tax, lao munga hun sa siempre man ma huchum i poker todudu. Ada magahit ma huchum i poker ney gi pagu ta tax kanna mas ki dosse mit kada unu. Ti ta tutufong eyi man dugeru na agas en sangani i House ni ma pass law ni eyi humana dos na sigadura kosa ki hu fatto i empleáo gobietnomentu i taotao tax yan unu gi taotao ñiha ya hu ma bababa ya hu ma tufong quantu salapeña. Ta pega enao ya ta fa bachet hit ta'lo sa meggai na taotao man gá'iyo enao na makineria ti siña man ma guatdia pues mas listo ta tax ta'lo one thousand nigai'an ni hu ma huchum siha hongge yu lao munga ta'lo ma pacha enao sa guaha conflict. Pues guaha illeklek hu na ha kiki feutsas siha illek mami na'i ham ni benti dias, nubenta dias, na'i ham ochu oras lao pagu pot i enao siha fino'mu ney un plea na man na'ma'se taotao ta. Man meeting ham gi Lunes. Illek mami okay, na dosse oras. En sakrifisia ta'lo i taotao ta dosse oras. Loa munga siha i business man ma ayuda. Munga siha sa gigon ta hatsa dididi i tan ñiha illék-ña para hu fan ma huchum. Ti hu fan ma huchum este sa tax ta eyi, salape ta eyi. Ta sustieni un año i utimun i sakkan ta na'i dies mit pues ada angen nuebi mit ha salapeña siempre illék-ña ai ma amot hu un mit. Loa ti man piniti ni eyi i familia nai siña malingu iyo-na health insurance benti sa po para ma cho'cho sa ti a langat enao na suedu. Benti hu manao para Guam sumen saga pat ma food stamp pat a entrega basta chule ha gima hu sa hu didibi benti mit akidi bai apasi enao basta chule ha ya bai hanao bai saga gi chalan. Magahit enao siha. Pues hami ney, illek mami malagu hamyo budget, maila ta fan kuentos sa para todus hit interés ta. Yanggen lokkue hagu ni gaige i conflict sa munga hao ges Mr. Smith na para ti hu fan donate campaign otro sakkan. Pat munga hao gues Mr. Smith na ta gagao dididi gi mismu salape ta pues guaha problema guenao ney. Guaha dánkolo na problema. Sa guaha illeleku ta gagao dididi ya ta na'i gi eyi dos benti dos miyon ti nahongña. Ilek-mami maila ya ta gagao i pupbliku i empleáo i gobietnomentu dosse miyon ginen enao ta fan man apasi siha dosse miyon. i tétenan des miyon illek mami maila ya ta na chule gi eyi siha travel, all others, operation yan hafa siha i dies miyon. Pagu an ti malagu hao un chule ten miyon gi travel yan all others pues maila ta fan kuentos ya ta tax i

amigo ta siha ni eyi man ma titinas megai na salape. Unfortunately, garment man suha kulang guaha sinente na eyi pu'malu business siempre man ma huchum. Man man da'dagi sa i rebate ta sasagan i otro malagu yu para bai fatinas puntu na gi eyu na akto ne esta en passa gaige ha gi lamasan ñiha. Guaha siha lokkue pot este para ta fan retired i taotao ta, buente un hungok ha. Guaha siha gi pot este siha candy yan soft drink yan este siha chupa, énague hinassoku na baba enao. Bula siha guiya America ma chochogue enao sa ti baba lokkue na yanggen ma ribaha siha siempre menos gasto ta gi espítat pues dispensa yu sa ti debi hagu guenao pon fata'chong para bai fan ta debati debi na eyi siha Kongresu. Loa chechu ñiha enao sa i Constitution illék-ña na siha debi lao taya man ma na'na'i ham magge. Gigon guaha man ma na'i ham en na'i papa siha. Man meeting ham guini illek mami ko maolek ha este i House Bill No. 17-40, House Bill No. 17-53 man tai guini ha man meeting taimanu ha – page one, maolek ha Congresswomen, Vice Speaker Ogumoro? Congressman Basa, maolek ha? Ya maolek ha esta. Guaha kuestión guini gi page 2, maolek ha? Yeah maolek ha. Kanna tres oras ham. Todu maolek. Man a' shake hand ham. Para hu fan hanao hu fan meeting un. Para hu ma passa. Tres biahi ni ma premeti ham. Taya. Pues ti hu tungo hayi guini ney. Guahu illekleku na debi ta fuetsas i man magas hu fan mata'chong ya hu ma atan siha todun klasen manera ni para ta na lala i taotao ta sa lokkue komu man masapet i pupbliku ya menos suedun ñiha ya esta ti ma tungo manu para hu ma balansa i budget ñiha mismo i familia siempre ti man hanao para i restaurant ya hu fan boka. Man para man malak Mc Donald, man para malak i Movie Theater, man para menos man shopping pues hafa pagu ma susesidi? Éyigue pagu ni man dinanachi siempre man broke i business. Pues parafa hit hayi dinanachi, hayi lachi i punto munga hit man ma'a'ñaoy munga hit ta fa bachet hit hayi ta representa guenao huyong? Taya hu represe'senta business. Taya guenao personat huyong hu represe'senta. Hayi na business hu hanao magi yon preba giya guahu na enao gue maolek na disisión. Faisen siha i maneluta gi otro banda sa kada meeting illék-ña lani man matai i business. Pues hu faisen siha na ko ti luluhan ni eyi dos simana siempre guaha matai na taotao ta? Loa luluhan hao na guaha business para hu lalalu sa sana bagun dosse mit ha mana'i hu, tressi mit. Eyi gue ya dispensa yu. Esta pagu illek mami maila dosse oras hu sangani ginen matu i Lt. Governor illék-ña I Lt. Governor maolek ha dosse oras lao ko fan malagu mon i san papa na guma? Komu man malagu i san papa na guma chamu luluhan a fitma este i gobietno. Sa i Lt. Governor illék-ña kumo man malagu siha huchom este munayan man machocho i taotao pues esta – Sigi hu ki check taimanu para bai sohyo eyi siha man ga'chong hu ya maila fan ya ta fan shake hand guenao gi dosse oras. Man gagge hit gi talu taya man ganna taya ma petdi. i pupbliku man man ganna. Loa munga ha siha. Ya illék-ña Lt. Governor na balance pat ti balance that fact that gaige eyi probensión guini ney guaha flexibility yan the fact that para hu na'i ham nuebenta dias bai fan ma cho'cho yan i san papa na guma gi halom kada mes para hu ma report enao. Ti maolek enao basta maila ya maseha ten percent ha ta deduct. Bai fan ma cho'cho ya kada mes ma atan yanggen dos meses tetenan ginen pagu ya lani mana nisisita magahet dies i sais ta na'i ni dies i sais lao siempre mamuti i korasónta. Loa gi pagu munga naya pumunu sa gigon behind gi banku dos meses man ma dulalak. Hafa na para ta punu naya pues eyu na ta ribaha. Maolekna maila ta fan meeting ya ta diskuti hafa enao na revenue. Munga na para si Mr. Smith para hu sangani hit hafa para ta cho'gue sa ni hayi malagu ma deduct. Faisen ha i Chamber of Commerce énigue ha. Agang halom yun faisen siempre illék-ña no siempre man matai ham. Loa agang fan enao i empleáo huyong. Man ma'a'ñaoy man hanao magi. Sa gigon ti ma fitma eyi katta siempre man ma fire or hafa siha or man ma layoff. Loa hayi guenao na taotao huyong malagu ney ya ta tungo ha na debi i gobietnamentu ma reduce sa dididi menos i revenue debi lao munga para ta puno i taotao ta pues eyu na para ta alok maila ya ta na'na'i salape mu despues. i problema bai atmiti para i todudu benti nuebi na senadót yan Kongresu. Probleman mami enao ti en cho'gue i chechu mami. Man ma warning ham esta ki kana un año ya ti ma cho'gue chechu mami eyigue pagu na man ma dedesi hamyo. Loa hongge yu ni este bidan mami pagu gi san hilu na guma siempre a

prevent otro sakkan yan i man ma'maila ya munga na otro sakkan talu illék-ña lani nu ti balansa i budget. Maila ta utut talu kuarto oras esta siempre trenta kuarto oras enao. Ya maila bai sangani hao ney, hita ni man guaha suedo ta or hami yan eyi siha political hire yan eyi siha i consultant yan hafá siha ti problema sa man ma utot hit thirty percent. Loa hasso fan eyi agas ha ti ma resibi iyo-ña retroactive, eyi i man baratu i suedon ñiha eighteen thousand para papa. Pega hao gue na posision yun atan fan ko hafá mon eyi na familia nu panadesin ñiha ni taya prometehi taya mu defé'fendi pues siña ha guaha shut down benti ya makkat este un simana pot ya mu dos simana makkat. Loa para i linalata este gi anakko na tiempo mona ti para ma na annok na chamu akachayi i pupbliku. Cha'-mu akacha'chayi i pupbliku gi hulu interes espesiát na interes ya bai sangani hao ti makkat eyi rebata ma pacha. Ti makkat i poker, ti makkat i sin taxes lao eyigue muna ma'makkat i man gang hit. Mampos man gang hit yan i bisness siha. Yá matu i ora para na disisión man ma tape i pachot ta. Enigue i problema. Si Yu'us Ma'ase.

Ms. Rita Castro: *Kon Respetu Mr. President. Eyi gue na gaige hao guenao mo'na ya guahu guini. Gof mamis, mamis palabra mu. Lao what does that mean to me? Lao este ha bai sangani hamyo we need to have a balanced budget. Sixteen hours, that's what I am going for. Ya before I go I will give you guys a thought. Este ha na lugat hu tungo na ti man ma apa'pasi este contract workers guini, ti man ma apa'pasi tuition para i famagu'on ñiha. Sa militat todú manu ni man gaige i contract workers i famagu'on ñiha ti siña man eskuela solo ma apasi i tuition. Yá eyi gue na that is a money making thing. For us that have a lot of contract workers. Thank you very much for your attention.*

The Chair recognizes Pedro R. Deleon Guerrero.

Mr. Pedro R. Deleon Guerrero: *Good evening guahu si Pedro Regolofoi Deleon Guerrero. Yá matu yu magge komu concern citizen. Hu atan mona este ya i ora pagu ginanagao na debi na hu fan a'komprende yon passa i budget. Bai hu sangani hamyo na suette na ti ma anunsia este na session i Senate. Sa yanggen ma anunsia bai sanagani hamyo na to ulat i parking lot man matu magi. Yá teniki ma sangani hamyo na passa i ginanagao i gobietno i sixteen hours. Pues gof klaru na ti hamyo, ti i House para hu dinasidi, i gobietno teniki a disisi ko para hu passa i eight hours, i twelve hours, annok na i disi sias oras eyi gue a konsidera ni siña ha passa. Ti bali este en sigi ha man kuentos pot revenue gereneration i yon miyu differences hayi man dagi, hayi mu ma gagahit. It's a waste of time at this time, at this very time. En hungok ha si Mrs. Castro. Hassan ni muyong i pala'an lao bai sangani hao na Mrs. Castro todus eyi siha tatte faisen ya ti man malagu hamyo mu fumaisen bai faisen pagu ha ko manu malagu ñiha ko i twelve hours, eight hours, pat i sixteen hours? Teniki man man oppe na sixteen hours malagu ñiha. Pagu an malagu hamyo ney pues suspendi i session pagu ya agupa yun li'e kuinto na taotao para hu fan mantu maige. Yá my good Senator from Tinian and Rota i pinadesi pagu man gaige giya Saipan i pinadesi sa bula taotao. Mas taotao man ma de'desi kini Tinian yan Luta. Munga man ma kastiga. Bula man ma de'desi. Na ma maisen yu ko suguru yu na en komprende i disi sias oras ni un fitma ya angen man konfotmi hamyo pues konfotmi ham. Malekna i dididi kini taya. Loa en diseseha i Kongresun mami parehu i san papa yan i san hilu na guma, na gigon manayan ma passa i ginagagao i gobietno ha gagagao hu fan dañá ya eyu pagu ni hu fan ma chocho gi hafá na manera ginagagao kumu revenue generation pues address i revenue generation. Lao pagu na ora yanggen en na hanao talu tatte, esta hu li'e iyon miyu version bai sangani hamyo na unacceptable gi House. Back to square one ya kada dia en na hanao papa gi House agupa another day taya chochu ha bira gue tatte ginen i House taya chocho. Kao este malagu miyu. You hava a solution for you right now. Hu tungo ha na guaha iyon miyu disagreement lao debi na un agree na something that can work and what would work right now is what the Governor is asking. Yá i manafatu magi ginen i House is a very flexible thing because siña*

ginagao cuatro oras, katosi oras, disi sias oras, the flexibility is there. Loa yanggen en po'posta eyi i dosse oras ginagagao na debi un espiayi immediate revenue resources, money you don't have immediately. Yanggen pon address i revenue generation I am sorry I tend to disagree na it will generate the revenue. For example guaha guiya hamyo bai mensiona not necessarily during this meeting tonight. Na unu lakkue i minaolekna eyi i sin tax is that when you increase it, it reduces un promote a healthy thing because people are not going to buy. Lao it defeated your intention. If people are not going to buy then that's not the intention, the revenue intention that you want to. That's a totally separte issue and I supported that. Hu support na un increase i sin tax yanggen it has to do with health concern lao i yun miyu reasoning of increasing the taxes is to generate the revenue and how could you generate the revenue when you know based on your presentation that it will not generate the revenue it will prevent people from buying. You tell me that. Now gi todudu na lugat ni man finana ni asunton i ekonomia ni sen baba i ekonomia the first thing you do is do not increase any taxes. You don't do that. You have to go else where. Look into out means ti pon increase I tax. Whatever tax you increase, your people are going to pay for it. Is that what you want? Now lets go back to – hun tungo ha the Governor continuously saying give me the flexibility where taya hu fan ma layoff. Lao siña ha nu man ma cho'cho taya man ma layoff ma reduce i suedun ñiha fine ya maila ya ta fan ma cho'cho ya ta bira tatte normal working hours. And that is the responsibility that is the challenge that each and every one of you have before you. Loa pagu please bula mu agang yu ya gi magahet ti bai alok guini lao bula hu magang hu guato gi gima man mafatu magi hu manu para bai boka ma faisen yu Mr. Guerrero please if you can speak for us. So let me tell you honorable members of the Senate, I am not here just for me. I am speaking for the many people that have called me to represent them because they cannot come and face you. Sa dánkolo respestan ñiha nu hamyo. Nu it is very irresponsible para ti un konsidera i budget ni mana fatu magi guini gi House. Why? En tingoha na komu un amenda which you have an amendment ti hu ma passa. And everyday non chegue enao you are responsible for those people that are not reporting to work. Ma tungo esta na its either you pass the Govenor's budget or they will continue. Now kumekelekna lakkue na even with the twelve hours that you are offering you need about nine million dollars more or less. Taya enao. Pues kumekelekna na yanggen enao pon force I issue, then your saying that its okay to terminate three hundred some people out there. That is what you want. i House ni anna fattu magi, guarantee na taya hu ma layoff. Taya. Lao guarantee na tumunuk i suedun ñiha sa tumunuk i ora lao, my good Senators, please maila ya ta passa este i ginen i House ya immediately maila ya hu fan ma chocho ya en address i revenue generation guaha guini i college ti satisfied ni salape. i PSS and all the departments are not satisfied, loa what can they do? The pie use to be this big it has shrunk to this much. What can you do? This is all you have. One hundred thirty five million dollars is what you have. Pues whether we like it guiya ni gaige – i gobietno ni gaige para hu apreba este. Ya en tiniguha na teniki a veto. Pon override? If you have the number, I don't think you have the number to over ride it. Pues I otro bai remind hamyo nai, na we are in this situation unfortunately. Yanggen en hasso na gi 2009 you pass – the Governor submitted a budget request for an austerity measures just like he is doing right now. Ma passa eyu without the Governor austerity measure intact. Ma override and we are in the continuing resolution of that 2009. It conitines to encured the present spending and that is why we are in here. Ti siña hu komprende as a former member of the Legislature, as a former Speaker of the House. Ti siña hu komprende hafa na ti siña en compromise i Governors request for now and then you people start working on the other things that need na para hu bira gue tatte I normal working hours. What is so bad about that? Taya, difectunia eyu. Yanggen ma sinseru hamyo ya magahet na gaige gi Korason miyu I taotao na un represe'senta I famagu'oña yan so forth what is so wrong now to pass the House version of the budget so that tomorrow the Gvoernor signs it into law and immediately address iyon miyu differences. That is being a little- and I was in that situation. Basta este para ta

sigi ha disagreement and disagreement and disagreement because its not going to end. It will continue on and they are suffering. You know hu respeta todū hamyo lao hu li'e I probelma guini ya too much talk. Its not going to do any good. Ni hafa'fa ha na explanation pagu pues sangi ha the Gvoernmors is going to veto it. Pues bin chegue sa you going to override it. My goodness. Hu manao ha a veto I gobietno, okay. Un override, how much more? Do you want another two, three days for people not recieveing their salaries? Nu yanggen I thirteen hours, and I listened to some of your peoples concern and I am concern also. Gi eyi siha ni man gof takpapa I suedun ñiha. I discussed this with some Gvoernment officials ya illék-ña na eyi takpapa suedun ñiha ti hu fan afekta. Alright, you can put a provision there to say that from this salary down hu fan ma exempt gi holiday yanggen enao malagu miyu. It's as simple as that. Put that provision in there but don't argue about it sa you can do it as Legislators. Don't argue na ti siña sa siña ha. Those people can be exempted. Munga mana setbe enao na rason na man na'ma'se sa takpapa i suedun ñiha sa teniki gi Holiday ti man resibi I sat in the House and I don't accept that kind of reasoning because you have the power as Legislators to put in the provison to exempt those people. Lao pot fa bot esta hu li'e iyon miyu amendment. Its not going to pass ti hu ma passa gi House. Enigue malagu miyu para sigi ha un fa – hayi mas maolek kumentos, hayi mas- its wrong. I am appealing to you. Tonight, please consider I House version. I know there is a lot of disagreement can be delt with immediately after passing the budget. Enao ha gu gagagao hamyo Senators. Dispensa yanggen kulang uyu lao ti mattu yu guini bai ...[inaudible]... hamyo lao hu seinti i seientien ñiha i pubiku ya bai sangani hamyo na i publikun Saipan magariña ki Tinian yan Luta ya mas man ma dedesi. Lao I taotao miyu lorkue gi Tinian yan Luta man ma dedesi. As I speak now bai sangani hamyo lorkue na every day na tun passa I budget guaha crime. Crime is being committed. Do you want that to continue to happen? Now ko lorkue, lets talk about revenue generating, the measure that you sent out to the House or whatever. Those are speculations. Siña ha un polu ya siña ha un estimate, lao do you guarantee for sure that it will generate the anticipated revenue to provide for the eight hours or the twelve hours? Can you prove that? You cannot prove it. Yanggen un sedi enao the more your going to go into taya payday sa ti nahung salape. Pagu for example, famaisen sa ni post office, ni customer ni pare hu fan collect kana taya. Many business are not paying one hundred percent of their quarter taxes. Some of them are asking forgiveness because they cannot pay. So what are you talking about generating revenue, increasing the taxes? Look at the current situation because those are facts. Please, yanggen malagu hamyo, if you want evidence and if you want the people to come give me four hours. Ill bring the people here angen malagu hamyo ni enao but we don't have to go that far. You are the leaders, leaders of the Commonwealth. You may be smiling and so forth and smile but you will be responsible when people are suffering? Ya don't blame the House, blame all of you. The House, the Senate you have to blame all of you. Stand up as a leader ya basta hu fan ma desi i taotao. Pot fa bot, ti bai dingu guini chukka un dululak yu huyong, yanggen ti siña hu kombense hamyo pues bai fatachong guini ya bai kombense hamyo na passa i House version. Tell me what – sangani yu fan hafa binabaña eyi pon passa i House version and then later on work with the other things that your discussing day in, day out. Whats so wrong about that?

The Chair recognizes Vice President Jude U. Hofschneider.

Vice President Jude U. Hofschneider: Good evening Speaker. *Bai break ha iyo-mu comment. Iyo-mu question is what is so wrong?*

Mr. Pedro R. Deleon Guerrero: *Yes.*

Vice President Jude U. Hofschneider: *Pues okay. Maila ya bai bring up tatte ta'lo todú este, ya dispensa yu na bai faisen hamyo i pasensian miyu ya bai bring up tatte todú este ha sangan si Speaker pot este austerity, yan revenue generating measures. Hunggan hu rekitnisia non sangan eyi non override i Governor ni taya i budget. Lao gi illeku gi June or July na mes, este na sakkan guaha eyi austerity bill ni mu circulate guini gi Legislature ya nu en sign off todú ni komitiha ni para hu allow eight hours na cut. Pues gi halom eyi i eight hours na cut ni para i gi na brahi July este, August, siempre ha braseha the rest of the fiscal year 2010, which is a continuing resolution. Pues guaha lókkue gue provision na illeklekna na este ochu oras na cut para hu ekstende gue all the way through 2011 na fiscal year budget para hu ma braseha eyi halom. Hafá ma susedi nu en sign off guini gi Conference Committee en chule huyong gi pupbliku para proper public hearing ya for some reason ma table ha. Ti ma diskuti, ti ma passa gi House. Komu mon nu ma akseptá eyu i Conference Committee Report ni kondodu i Conference i House ma akseptá ya en passa siña buente ti mangue'kuentos hit pot I sixteen, siña ti mange'kuentos hit pot twenty, siña buente I four hours ha sa esta i gobietno na ha impact i general fund mu menos mas. Yá hu agree giya hagu na este revenue generating bill kulang questionable este para ta faisen taotao ni baba i ekonomia. Talu un brahi nu bai testiguyi ya gaige ha hao guini ya esta para un año hao ma chocho guini ney ya man ayu'yuda hao. Este talu i House Bill No. 17-40, atman este en propose ya man agree ha taimanu ha talu. Ti pagu ha, ti nigap ha, pat ti last week ha, ya ti two weeks ago. Nu pues todú este fakto este ni chumuli magi manu ni man gaige hit pagu. Hu komprende ha i pinadesi pagu lao yahu non komprende lókkue na ti mankieto ha i Kongresu siha gi san hilu na guma yan i san papa na guma ya taya na en atan enao. Yá hu sesiente hafá i pinadesin i segun ni fino'no mu na passa i sixteen hours or pasa i House Bill. Lao debi lókkue ney na ta atan maolek ya munga na guaha menos ni mas ni ma utut unu ya i otro ahe. Debi ha na bin attan sa ti siña enao na klasi para ta li'e ha pues para ta pasa ni ti ta taitai. Enao gue na rasón na man gaige hit pagu guini. Pues enao kuestión mu hu dese'seha na un komprende na este na request i revenue generating, ti nuebu este. Yá kumo mon ta diskuti mas este asuntón,este i House Bill No. 17-40 yan i House Bill No. 17-45 gi eyu na tiempo utru na asunto para ta diskuti pagu siña ha buente pot revenue generating, siña buente pot rebata ya esta man huyong hit pot este budget. Thank you Floor Leader.*

The Chair recognizes Senator Ralph Dlg. Torres.

Senator Ralph Dlg. Torres: *Good evening. I think at this point, let me just – enao iyomu question lókkue gof impottante para guahu. Gi todú este siente yan mas guini Speaker i senti i yanggen ti ta akseptá i sixteen hours yan i thirteen unpaid holiday, siempre guaha unu ma layoff. Yá kumo guaha unu ma layoff, knowing na para hu ma bota, ya hu komprende enigue yan i senti. Pues iyon mami proposal ni eight hours, seven unpaid holiday, ten hours, it doesn't matter sa at the end of the day, unu siempre ni mas para hu ma layoff. Tres na budget ni ma pass gi House and that was a very firm stand na we are not going to accept anything less than sixteen hours and thirteen unpaid holiday because we will not allow one person to be laid off and I agree, and I understand where they stand. Monday night at seven thirty, we got a worksheet here that says even, even, I repeat myself, even if you agree and you pass sixteen hours and you agree on the thirteen unpaid holiday, we will still layoff three hundred and thirty three people beause the budget is not balanced. It hurts Speaker, for the past three budget that we also have been accused of not caring for our people, that we are going to allow layoffs. So we went back and we asked if that is the case it takes twenty four hours on all Gvoernment employees in order for no one to be laid off. So what I am saying is estigue Speaker, we are trying to elliviate the pain of our people and if you take ten thousand dollars and you take twenty five percent, your looking at seven thousand five hundred. You divide that by twelve months or divide it by twenty six per pay period, you want your employee earning ten thousand to go home with*

hundred and twenty, hundred and thirty dollars. Especially for este Thanksgiving and Christmas, enao gue yun mami guini, one quarter. What Thanksgiving do you expect your Government employees to go home with a hundred and twenty dollars? Tarabia ti ma apa'apsi i kandit taya nénkanno ti ma fá'fahan tarabia i kosas para skuela para i famagu'on. Pues agen este pagu guini hafá un prote'tehi eyigue siha na taotaogue lokkue hu prote'tehi. Sa yaggen i hundred twenty, eighty thousand yun minus twenty five, man mamahan ha nénkanno, guaha kandit ñiha. Lao i mayoria taotao ta gunini is earning less than fifteen or eighteen thousand dollars, yanggen guaha expection ya para siha taya deduction, I will be all over this. Loa siha mas guini ma ataka.

The Chair recognizes Mr. Pedro R. Deleon Guerrero.

Mr. Pedro R. Deleon Guerrero: *Finenina, man kue'kuentos hit pot nigap, pagu kumekentos hit pot pagu hafá gaige gi menan miyu. Loa maila ya tan fan hanao tatte nigap. i revenue generation, you know ti responsibility este na Legalature ha, i revenue generation responsibliti i Legislature from the pass to the present. Yáhu na hu klaru enao. Yá enaogue lokkue na rasón na man gaige hit guini sa guahu – I for one ti hu li'e any generating revenue legislation that was put forth ni para munga na ta fan gaige guini na estáo. Man gaige hit guini na estáo lao enao na rasón anai taya revenue generation ma identifika from the departure of the garment industry taya ha. Esta ha swing gi papa i revenue i Commonwealth ya enao na rasón gi 2009 ma maisen i administration austerity measure ya ti ma na'i and we are conintuing to run our Gvoernment under deficit spending up until the last fiscal year 2010 ya man halom hit gi continuing resolution of 2009. Now pagu ha gagagao i gobietno. Enao un sagan- if I recall, I three hundred na emplao ti guiya eyi gi under sixteen hours. Lao hu maloam enao eyi twelve million dollars yanggen ti lachi yu.*

The Chair recognizes Senator Ralph DLG. Torres.

Senator Ralph DLG. Torres: *Mr. Speaker, munga na ta lachi na dos. Gi reduction in additional that would be three hundred and sixty three so looking at total reeve a combine i tetenan iyon mami sixteen hours would be total of six hundred and ninety six. Pues sangi i sixteen hours ya ta passa i sixteen hours and thirteen unpaid holiday we are still going to lay off three hundred and thirty three people na i reduction of i twelve million illeklek mu an additional three hundred and sixty three so total anticipated reeve if combine both is six hundred ninety six.*

Mr. Pedro R. Deleon Guerrero: *Kuantu angen i twelve? En propose gi twelve hours?*

Senator Ralph DLG. Torres: *No, no, no. This is accepting the sixteen hours and thirteen unpaid holiday. Eyi na illeku na the rational of accepting sixteen hours and thirteen unpaid holiday is that its balanced and no one would be reeve. That statement is false according to the document that is being provided.*

Mr. Pedro R. Deleon Guerrero: *I was looking at another document that was provided by the Senators, I don't have that document before me right now. Lao even as of this morning the Governor insisted the sixteen hours, there will be no layoff. Pues guahu bai rekomenda na antes di un passa i un amenda I think it will be okay in the interest of the people out there – take a recess or even now call the Governor in. The Governor himself call him in yon faisen sa i Governor illeklekña the sixteen hours will satisfy it ya taya para hu fan ma terminate. It's coming from the Governors office alright? Pues estigue na kumekentos yu sa I hear personally myself yanggen coming from the Governor then I have to respect it sa ofisinaña ya he is going to be the one to make the decision*

whether to pass a different version. Yanggen pot sukaso na pagu na puengi un disidi na para twelve hours, I think its not going to hurt so that i continuation back and forth can be – munga hu konitua mona ya maybe call for a short recess and call in the Governor and say whether the twelve hours is acceptable. Unfortunately, maybe it should not be like that but under the crises at this time I think you should call in the Governor and say is this twelve hours acceptable sa agen acceptable then I think that both Houses will pass it. Lao at this time the Governor as of early this morning, continues to insist that give me the flexabilitiy, give me the sixteen hours. Less than that is not going to work. Ti isao, there are two differences here, yanggen ma pasa i budget, when I don't know, the answer as to when in your hands, alright? I hope agupa. I hope na un konsidera ya agupa hu ma bira siha tatte i taotao. Loa yaggen un passa budget ni ileklekña your going to force the administration to layoff. An ma layoff iyo i hundred, two hundred, three hundred or whatever based upon how you come up with the hours. Those people will be jobless. Ya bai sangani hao ti un fañnoda cho'cho esta. Makkat, solo hamyo un emplea gi pagu na situasion ti hu fan mañoda yanggen un layoff tres sientos na empleáo tres sientos na familia un na famadesi. Ya taya guarantee na hu ma fañnoda cho'cho. Pues guaho illekleku ya tun ha'hasso yu yanggen enao siha ney then okay fine gaige guenao gi menan miyu lao maila ya ta chule eyi i what the Governor is comfortable with and sign it into law ya immidiately i taotao hu fan ma cho'cho. That's all I'm asking you guys and immidiately agupa and im willing to volunteer and help out on those issues the revenue generation and so forth. Lao pot fa bot lai you know munga na agupa hu fan hanao maggi I taotao ya ti ta nan'angga na ma susede lao don't prolong it. Please don't prolong it. Eyi ma sangan pass i budget, pass a budget that is going to be approve and the only budget that is going to be approved is the House version. Enague illekleku nai. Pues enigue i posisasion gaige giya hamyo. I am not here to force your decision but I am begging you please I am begging you to pass the House version of the budget so that we can continue on yan hamyo ney hu fan ma cho'cho ni revenue generation and I think at this time that is the most reasonable and appropriate way to address our crises. Enao ha. Dipensa yu sa ti mattu para bai disrespetatuyi hamyo. Lao hu state iyoku observation i bai faisen hao para bai keuntos on their behalf yan lakkue iyoku own observation yan hu li'e Nn dinanchi, dinanchi yanggen ta set aside todú iyota differences gi presenti ya gaige esta gi bandan miyu the solution and the solution is not to amend the version that you receive from the House. The immediate solution is to pass a House version without an amendment gi austerity measure you can work with the others. Este ha malagu hu para bai point out Si Yu'us Ma'ase.

Floor Leader Pete P. Reyes: Thank you. Can we please make this short because there are other people out there? I'll let you ask that. Speaker, we see each other every day here in the building so if we can just limit your comments and make it short.

The Chair recognizes Senator Jovita M. Taimanao.

Senator Jovita M. Taimanao: Thank you Floor Leader. I will not make this long as you noticed I haven't talked, but you really brought good points Mr. Speaker, I just wanted to point out to everyone that we appreciate the people's comments, however, I would like to share also coming from the prospective of the Senate Committee on the Fiscal Affairs. On April 1, 2010, the Governor submitted a budget proposal for the Fiscal Year 2011 within this budget proposal the Governor stated that this submission has an imposition of austerity measures through reduced work hours equivalent to ten hours per pay period or 12.5 percent of the payroll. The argument that is going back and forth is called sixteen hours and thirteen unpaid holidays, or fourteen. The Senate stands to have at this point of time twelve where the Governor specifies ten hours of reduction. We kind of get all this mixed up about going back and forth, people laid off because of the sixteen hours. There

is no numbers in the House version. It totals up to hundred and thirty two million, hundred and thirty two five hundred and sixty five and that is also the Senates net cap. For us to know that the Governor is laying off three hundred and eighty three employees out of the executive branch, that is his discretion. But we are only following the Governor's proposed budget bill for the year 2011 which is the austerity that he mentioned about the ten hours cut or 12.5. That is the position that we are in except that we had thirteen unpaid holidays and the Governor mentioned fourteen. Again, we are following the Governors submission and that is just a point of clarification here. Thank you.

Floor Leader Pete P. Reyes: Please, make it quick because there are other people that need to testify and some of them are already leaving.

Mr. Pedro R. Deleon Guerrero: *I want to clarify that. Yes, I understand but you have to understand also good Senator that from the time the Governor submitted that the revenue of the Commonwealth continues to down size. It continues on and since the time he submitted that it's been five months that lapsed and the revenue projection came up to sixteen and that is why he changed that and there were members of the Senate and the House met the Governor some two weeks ago or a month ago and the sixteen hours projection was presented to both the Senate and the House. You are right back then that was the figure that was submitted but as I stated earlier every month that passes by the revenue projection went down, and down, and down, and down as I talk.*

Floor Leader Pete P. Reyes: Thank you. Anyone else in the gallery? If not, I am going to ask for a short recess so we can get the members back. Thank you.

The Senate recessed at 7:06 p.m.

And

The Senate reconvened at 7:12 p.m.

Floor Leader Pete P. Reyes: Mr. President, I would like to return to the Committee of the Whole and with no more witnesses, I guess I can make a motion to go into emergency session, which requires two thirds majority of the affirmative. The reason for the emergency session is to act on fiscal year 2011 budget. I ask that once the motion is seconded that we do a roll call to demonstrate that we have the necessary number of votes to move into the emergency session.

Seconded by Vice President Jude U. Hofschneider.

President Paul A. Manglona: Okay, it has been moved and seconded. Is there any discussion? Senate Clerk, roll call please.

The Clerk called the roll on the motion to go into emergency session.

Senator Juan M. Ayuyu	yes
Senator Luis P. Crisostimo	yes
Senator Francisco Q. Cruz	yes
Senator Jude U. Hofschneider	yes

Senator Pete P. Reyes	yes
Senator Henry H. San Nicolas	yes
Senator Jovita M. Taimanao	yes
Senator Ralph DLG. Torres	yes
Senate President Paul A. Manglona	yes

President Paul A. Manglona: Senator Torres will be back shortly and since we have the necessary vote to pass the motion, I like to declare that the motion passes the Senate and also at the same time I would like the record to reflect that we are back in our plenary session without objection.

Floor Leader Pete P. Reyes: Mr. President, before we go into the emergency session I want to make another motion to move back to our session so you can make the final motion to return back to our plenary session.

Seconded by Senator Henry H. San Nicolas.

President Paul A. Manglona: Those in favor say “aye”.

Several members voiced, “aye”.

President Paul A. Manglona: All opposed say, “nay”.

The motion was carried by voice vote.

President Paul A. Manglona: We are back to our plenary session. We are through with public comments and we appreciate everyone who came out to provide us with their comments. We appreciate you sharing with us and we just want to say that it appears that this shutdown might continue, so we will continue to accept comments from the public even written comments.

The Chair recognizes Floor Leader Pete P. Reyes.

Floor Leader Pete P. Reyes: Thank you. I now move to go into emergency session. I believe Mr. President all you need to do is just rule that there is a necessary vote. Maybe we can ask Senator Torres to vote on the motion.

Senator Ralph Dlg. Torres: Yes

President Paul A. Manglona: Earlier a motion was made but you stepped out. Your vote is “yes”, Clerk please have the record reflect such. Again, the motion was made and passed that the Senate meet in an emergency session to discuss House Bill No. 17-122, HD2, the Budget Appropriation Act of 2011, which the House of Representative introduce today and passed today with amendments and it has been transmitted to the Senate an hour ago, with that Floor Leader.

Floor Leader Pete P. Reyes: Thank you Mr. President. Since we are in session and the Legal Counsel can respond to questions, I just wanted to ask her if in the event that we have a bill that has already been acted by the Senate before, do I need to make a motion to suspend any pertinent rules or we could go ahead and act on this bill? Is that correct? Normally, on first appearance of a bill to be

acted on final reading, we have to suspend pertinent rules. The question in this case, we are acting on the budget bill, which we acted on before, but because of the change of the number on the bill, do I still need to treat this as a new bill? That is the question.

Legal Counsel Antonette Villagomez: *Yes Floor Leader because it's a new bill, H.B No. 17-122, HD2, we still have to amend the rules to place it on the bill calendar and then suspend the rules to act on it on final reading.*

Floor Leader Pete P. Reyes: Thank you. If I remember correctly I have already placed this on the calendar so let me make the appropriate motion to suspend pertinent rules in order for us to pass this on final reading.

Seconded by Vice President Jude U. Hofschneider.

President Paul A. Manglona: It has been moved and seconded. Is there any discussion?

The Chair recognizes Senator Luis P. Crisostimo.

Senator Luis P. Crisostimo: Thank you Mr. President and members. I noticed that this version has some change in numbers and the numbers that changed are A) utility from...

Floor Leader Pete P. Reyes: Mr. President, I hate to interrupt Senator Crisostimo. The motion is for the suspension of pertinent rules so that we can act on this and then, we can make the motion for the passage of the bill and at that time, Senator Crisostimo, can make his comment.

President Paul A. Manglona: There being no discussion, those in favor say "aye".

Several members voiced, "aye".

President Paul A. Manglona: All opposed say, "nay".

The motion was carried by voice vote.

The Chair recognizes Floor Leader Pete P. Reyes.

Floor Leader Pete P. Reyes: Thank you. Now, I move for the passage of House Bill No. 17-122, HD2, SS1, so move.

Seconded by Vice President Jude U. Hofschneider.

President Paul A. Manglona: Discussion on the motion to pass House Bill No. 17-122, HD2, SS1?

The Chair recognizes Senator Luis P. Crisostimo.

Senator Luis P. Crisostimo: Mr. President, in light of the numbers that were changed I noticed from the First Senatorial District and the Second Senatorial District, the utility that was supposed to be for the payment of the government, the utilities for those two district, there was a change and sent to other which is the executive branch, I just want to know what is the utility for Tinian

and Rota? I want to know because it seems like the total number – I can't find it in the spread sheet because of that change. Can somebody enlighten me on Tinian and Rota total utility?

The Chair recognizes Vice President Jude U. Hofschneider.

Vice President Jude U. Hofschneider: Thank you. It is not indicated on this but the initial allocation from the House for the utilities has been returned back to the utilities. If I am not mistaken and my numbers are true or CUC submitted their numbers, the amount that the entire government on Tinian is paying is approximately nine hundred thousand dollars annually.

The Chair recognizes Senator Luis P. Crisostimo.

Senator Luis P. Crisostimo: I want to thank the Vice President for that. That answered one of my question. The other question that I have is I noticed that also Tinian went up from three hundred and ten to three hundred and fourteen and although that change I didn't know where that additional increase and where it went to and if I can be enlightened I would really appreciate that.

The Chair recognizes Vice President Jude U. Hofschneider.

Vice President Jude U. Hofschneider: With the indulgence of the Delegation from Rota we took down Rota to match at 6.256 for Tinian so that's where the number came from.

The Chair recognizes Senator Luis P. Crisostimo.

Senator Luis P. Crisostimo: Okay, I just want to go back. On the First Senatorial district for Rota, we used to have three hundred and ten now we have three hundred and fourteen on this version, the Senate Substitute 1. Basically my question is where is the four going to if I may be enlightened?

The Chair recognizes Senator Jovita M. Taimanao.

Senator Jovita M. Taimanao: Okay, these four FTE's are focused on the DPS cadets to PO1.

Senator Luis P. Crisostimo: I also want to comment on that members. You know the need for this on Rota -- I'm sure there is a need, but in light of the many crunching in numbers and trying to arrive to a budget that will be acceptable and that the Governor will sign. If this is a need, I urge our counter part in the House to support this need, the four additional FTE's for the cadets. Rota needs this too, so I hope that this will be included if there is a new budget. There are some changes in Rota and in doing business in Rota and with that we can also help them. Although my colleagues in Tinian as well, I know that we all need new money and new personnel to handle the many challenges that faces the two senatorial district, including Saipan. I want to tell you colleague today that I will vote anything that you guys want if that will reopen and put the uncertainty of these people that are left out and they don't have a job today. They are in limbo. I went to a house Saturday, one of my constituent. This family can't even buy water. My constituents in Saipan are also in the same boat. We are in the same ship as I say -- one little ship na todudu hit man ma dedesi. I have constituents here in Saipan that do not have light and water up to today, running water, but -- Saturday, this is drinking water for the family. I really felt for them. Before when we meet in the hallway we are always smiling. I smile because I see a young and a good looking Senator from Tinian that are

handsome but we don't know how we treat our people. A young Senator from Rota, we see how it - the changes in the Senate. My good President, I beg you and I ask you -- the one thing I admire about you and the other presiding officer in the House is your both engineers and great engineers. This is one thing. I wish I was an engineer too. And the second thing is boy, if we were the presiding officers, I wish I was one of you too but the fights that these two bodies have gotten us to too many grieves and hardship and I beg you to call the Governor before we pass this measure and ask the Governor how would he react and if he could help us in the House level should we pass this measure Because I would support this measure but I want to also be assured that the Governor doesn't hold hostage or veto this bill and hurt the many people that today faces many uncertainties. I wish the Tinian Senators on Tinian will know or the Rota Senators on Rota will see their people in the very places that we usually see them because my constituents -- they are hurting too and I don't see eye to eye with them as well. I want to conclude by that. My good colleagues I dearly respect every one of you guys. I will fight hard to find revenue generating measures so that we will get these guys what they need. And I will fight hand in hand with you guys. I never went against you guys only on one measure when you increase taxation. If you are going to increase this I will follow you guys. I don't care what fees you increase I will follow you but in a form of taxation I probably will not. I want to conclude by that Si Yu'us Ma'ase. It is a privilege serving you members. Thank you.

President Paul A. Manglona: Thank you Senator Crisostimo. Before I recognize anyone, I just want to point out that the Senate version for the First Senatorial District is lower than the House version so if there is any hint that we change that to increase it, it is actually lower than the House version for Rota. For Tinian it went up because it was underfunded and I think they took some funding from Rota to Tinian so I just want to say that this is not a debate between Rota and Tinian's budget. As you can see we are trying to get the House to approve this budget so we don't want the misconception out there. Let me recognize Senator Ayuyu.

Senator Juan M. Ayuyu: Thank you Mr. President. I also want to say for the record in regards to Rota's issue. We did follow the Governor's proposal as submitted by the Administration and I want the people of Saipan to know that we did not increase the budget for Rota. As a matter of fact, we returned the utility funds back to the central government so that it will not reflect and that is the House version, it did not reflect that we got more money based on the Governors proposal and we want to share also and we are sharing all the pain and it's not only Saipan but even for our people in Rota as well as Tinian. So let the record reflect Senator Crisostimo that we are not getting more. We are playing within the Governors proposal and we accept that. We never intend to increase anything. As a matter of fact, we agreed even with the Tinian Delegation that we will share the pain with the entire Commonwealth people. Thank you.

President Paul A. Manglona: Is there any other member? We are discussing SS1.

The Chair recognizes Floor Leader Pete P. Reyes.

Floor Leader Pete P. Reyes: Thank you. Mr. President and members, you know after the third Budget Act passed by the House and all the testimonies that we received today, one of the most touching testimony is when Mrs. Castro, who by the way is related to me, pleaded with the members. It really touches my heart and I feel for her. I wish that the testimony presented by many of the other witnesses, most especially with the former Speaker, that he would have appeared in the House and plead with the members to talk to the Senators to try and negotiate with the Senators. I know that many of us are tired. Sometimes we are so tired that we want to just vote anything and forget about

our principles and our commitment to ensure that the concerns of the majority and the people that we serve are protected. Like the former Speaker, there are many out there that did not want to come up and speak and they depend on us to make sure that we protect their interest, including those that came and testified. It is really heart breaking. On several occasions, I spent here up to one o'clock, three o'clock in the morning and the earliest time we could leave was twelve o'clock because we are waiting for the House to come up and negotiate or to pass any legislation that would be acceptable to the terms that we negotiated because we didn't just go there and push our agenda to them. On Sunday, Mr. President and members, which is supposed to be a non-working day for many of us, I was trying to get reacquainted with the family because I am very worried. My children started calling me Uncle Pete instead of dad. That is very scary and that is because I haven't been spending much time being a family man and instead working for the people. My eldest daughter told me that she envies the public because I spend more time working for the best interest of the public rather than to spend time with my children. She is right. Every one of us, including those members in the lower House, has their heart in the right place. We just disagree on how to reach that goal that we all want and because of that, it requires the meeting of the mind. It requires for both Houses to sit down. We could have resolved this problem if we sit down on the first bill that they rejected from the Senate or during the conference committee. The formulation of conferees in a conference committee is designed to address the difference between the two houses. That is the purpose of the conference committee, that means that you have to sit in and if they do not agree with you, then you give in, you compromise. The Senate has conceded to a lot of issues and while the conferees from the House have not done that, I am hopeful that by continuing meeting with them, that we can break the impasse because the members of the conferees in the House are educated and very capable legislators. I have never doubted that an impasse can be broken. The problem is we stop the meeting when it was going so well. Mr. President and members, as I was saying, on Sunday, the Lt. Governor called me up and asked if I could get members of the Senate to come and meet with them. I managed to find the Vice President and encouraged him to go with me. I reported that meeting back to the leadership the following day. Every discussion during that meeting was very fruitful and for a while, I had a great deal of hope that by the Lt. Governor serving as a mediator that maybe it can bring some sense to the urgency of passing a budget. I will say this for the record, Mr. President and members, that I am proud and I commend the Vice Speaker and other members of the House who decided to make an effort and ask the Lt. Governor to be in a meeting with the Senate on Sunday night so that we can make some progress in the discussion of the budget, and yes, there were lots of discussion. I even mentioned that if we get the Sergeant-At-Arms to nail the door so that nobody leaves the room until we reach a consensus, that I would do so, if it's within my power to do that. Unfortunately, we never nailed the door. It is very sad because many of us left after that without fully recovering the discussion and making more progress than we did, but we have made some progress. We added more to the Senate's position of the reasonable eight hours and the seven days of unpaid holidays by first initiated ten hours. All these as a means of compromise, then in good faith, we added two more to make it twelve hours and then, we offered to increase the seven days of unpaid holidays to thirteen days. Our intent is to at least give our people Christmas and my good colleague from across me wanted to also give the people Thanksgiving so they can at least have these two special holidays be paid so that our people can enjoy it. When the Lt. Governor raised the issue of the revenue bill, the House members decided to meet with the leadership of the House to figure out what their move is on the revenue bill. So we stood by and waited and when they came out, they had drafted a bill that would, if not totally, respond to the short fall that we were looking at, which is eleven million dollars three twenty four. At least, it will help alleviate the cost so that it would be less painful for the workers. Let me just say Mr. President and members, the four additional hours from the eight hours of austerity Friday to the twelve that we added, that is an

additional four hours in calculation. Mr. President and members, those four hours by multiplying that by twenty six pay periods and dividing by eight hours, which represents one work day, translates to thirteen days of unpaid hours. If you take the conservative figure of three hundred and forty four thousand that translates to four million four hundred and seventy two hours, which I am told that payroll cost per day is higher. Look at the holidays that we conceded to the House, from seven to thirteen days and you take the additional six days as an offer of a means of compromise and multiply that by three hundred and forty four thousand, you will find that it will yield two million two point sixty four thousand dollars. If the revenue bill, which the Lt. Governor estimated to generate four point five million dollars and I don't know if anyone agrees with that estimate. Our estimate is very liberal. We estimated twenty two point something million dollars. But it is okay. If it is four point five that is good, at least we are talking. The blaming game of finger pointing has got to stop. I am not going to blame anybody for any of this but we need to stop and look at ourselves and measure up to our obligations, our responsibility. Why do we need to subject our workers tremendous hardship when there is a way to reduce that hardship? If we do anything less than being creative to try and address the issue of austerity and holidays, then we are not serving the public to the best of our ability. One person told me, that was mentioned today when the witnesses were testifying, that employees that are receiving salary of about ten thousand or slightly more is receiving three hundred and forty four dollars per pay period, that is without any Friday austerity and unpaid holidays. Senator Torres calculated that if that same person is subjected to eight hours of unpaid Friday and holidays, that person will bring in approximately less than three hundred dollars. And then, if we impose the additional eight hours and the other remaining six days, that person will bring home a hundred and twenty dollars. A hundred and twenty dollars! A farmer is earning more than an employee that is supposedly hired at ten thousand dollars or more. There is a financial crisis so we start to justify that. And that's the nature of this game. We need to justify our job. But then, when I see that the leadership is cutting the number of hours in employees that are receiving fifteen thousand dollars and less and then, giving money to them, it doesn't cut well with me. How can you stand and how can you go to session everyday and push for the sixteen hours of austerity, thirteen days of unpaid holidays and insist that would create a balance budget and at the same time give yourself a bonus. But the Senate is willing to compromise on that, because we knew from the very start that is what they wanted and so we came to a compromise. We offered to sit and discuss more. We stayed longer than necessary in hope that a budget will be produced. I listened to the last House session and I heard from the minority and believe me, I don't want to continue speaking on the testimony of the minorities, but I was hoping that the former Speaker would go to the podium in the House and submit to the House that the people are suffering, as he has done when he testified here and to pass the Senate's version, because it will not sit well with the Senate if they pass another bill that is not addressing the concern of the Senators. The Speaker knows from his last experience in the House and especially as Speaker, that in order to pass legislation there has to be a consensus. If you don't sit with the Senate and you send a bill out, then the Senate will change it if that is what they feel is the right thing to do. This office is political and any legislation that is offered in the chamber of this building requires a number. It's a number game. If it has the number, the bill passes. If it doesn't have the number, the bill does not pass. If it does not pass, there is a way to find a mutual ground for the bill to pass. For a couple of days, maybe a couple of weeks, we sat and offer and offer and offer and then, we asked what you can do to meet us half way. I have yet to see any progress in that area, that is the reason why I say that I am very hopeful that by continuing dialogue before the employees are subjected to government shutdown that a resolution could have been reached. We need to have flexibility. We need to ask our colleagues in the House to be a little flexible. The Senate had bended backwards trying to find a mutual ground so that it would be palatable for the members to accept. It didn't happen that way, unfortunately, and I don't know what is going to happen to this bill Mr. President and members. I know that this bill will pass the Senate. Can we continue to subject our

people to all this hardship, pain and suffering when there is a way we can alleviate that or we can stop that? Maybe we cannot resolve the entire eight hours and six days of unpaid holidays but we can certainly reduce that, by coming up with this proposal. This proposal does not add anymore than we have. In the bill itself, it's just an adjustment in the number of days and hours but even that is not acceptable. The painful thing about this is they kept referring back to the eight hours and the seven days that the Senate initially offered. Let me make this plain and clear, the Senate offered eight hours and the seven days of unpaid holidays at a time that the Senate refuses to acknowledge and agree to any single additional unpaid hours and no single day of unpaid holidays but because we are meeting with the House, we need to compromise and that's when they offered the eight hours and the seven days of unpaid holidays. Further meetings with the House, resulted in additional concession by the Senate. If we sit down and put our heads together, we can continue to make sure that our constituents', the people that voted us into this office, welfare and interest is sufficiently protected. We all have our hearts in the right place. We just disagree on how to reach that goal. The President made a very good point and this is part of the discussion, why can't we allow a trial basis for a period of ninety days? We are willing to sit back and further amend the budget act. If it needs four hours, then we give four hours more. If it needs the entire sixteen hours, we are willing to do that. This apparently did not happen. Mr. President, I personally welcome the administration and whether or not the Lt. Governor is requested by the Speaker to be in the chamber or invited to be in the chamber with or without his permission, I applaud the Vice Speaker for making that wise decision because it appears that's the only way that any progress can be made in the impasse of this budget. I also invite all the businesses that feel threatened by the revenue bill. We even went as far as compromising any which way that we can, to try and make sure that a revenue bill pulls through. Again, that did not work because there are a lot of justifications that businesses will be hurt. We got presented with another surprise and that is we have additional twelve million dollars that we need to deal with. In that additional outlay, we need to add another eight hours of unpaid hours on top of the sixteen hours. I made a statement in that meeting that, if we need to address all the responsibilities of this government and that a twenty four hours is called to address that and to prevent the Medicaid recipients from being subjected to a refusal to be cared for, because that is our responsibility and also, that will balance the budget, I will vote for that. I did not hear any members of the public saying, let's pass the Senate's version but I do hear members of the House saying, that if you pass this measure, it will not sit well with the Senate. Why don't we talk to the Senators? I welcome that but it did not happen. I know, Mr. President and members, that I talk too much and I still have a lot to say but I want to give the other members an opportunity to say what they have to say too. Thank you.

President Paul A. Manglona: It might be a little bit lengthy but you have put forth good comments Floor Leader, including the fact that you met about three to four hours on some day with the Lt. Governor. I now recognize Vice President Hofschneider.

Vice President Jude U. Hofschneider: Thank you Mr. President. I will try and narrow this down but with what the Floor Leader was saying earlier we heard a couple of comments made by a distinguish member of the House that the President of the Senate should meet with the Governor so that the President can understand the severity that there is only a hundred and thirty two of the sixteen hours actually that is exactly what you did. You actually been pushing for that since the get go and we feel that the urgency of not passing a budget is imminent you practically extended your members including some of the House members to the House to have a mutual understanding or come out and strike a balance but we were locked up. I don't know if you recall that. Then you took it upon yourself again to detail us, myself and the Floor Leader to meet with the Lt. Governor

and it was a very fruitful meeting and as a result of the meeting we were able to go forth with striking a balance between the misunderstandings of the language of the bill. On the following day with the - I commend the Vice speaker for taking the time and inviting the Lt. Governor to meet with us. This is quite a lengthy meeting. It was four hours and we were almost there. We were almost in the understanding that we are going to have a budget. Our understanding is that we were going to meet at nine o'clock the following day. What happened is somebody reneged from that and they just don't want to meet anymore with the administration. It was actually the step in the right direction because the Lt. Governor statements, as far as the budget itself, are something that we take seriously or that we trust him. But also keeping in mind to try and make a workable solution to the impasse of the provisions so again it's not about he said, she said or *estegue illek-ña* or *eyigue illek-ña* it's about passing this budget. We feel we can work the four hours difference because some of the members of the House were there that night and witnessed how to craft this out. A hundred and thirty two million is a stretch for four quarters ending on September 30, 2011. It allows the administration or the legislature to work in and within that budget time frame to make corrections or to tone down or build up or what have we that is why we are here. We are just asking if we are going to make an impact on the income of the people why resort them to sixteen hours. Let's start slow and work our way down or work our way up. Again Mr. President I think we should continue deliberating and if I am allowed to say this I challenge the House members if they are down there and are listening to entertain the budget tonight and we will lock ourselves in until we pass an amicable budget resolution so that we can let this people, i man namasi na taotao ta guini huyung go back to work tomorrow or the next day. I urge the other members of the Senate to standby once we are done and we will see what will happen but let us roll up our sleeves and stay all night if we have to.

President Paul A. Manglona: Thank you Senator Hofschneider. Is there any other member? In your meeting with the Lt. Governor may I ask you was the Governor aware of that meeting, the one on Monday?

Vice President Jude U. Hofschneider: Mr. President, I am sure the Governor is very much aware because on the statements that is often made by the Lt. Governor himself that if he green lights whatever solution we come to play as far as the budget the Governor most likely will sign it. In other words he is aware of it.

President Paul A. Manglona: I just want the record to reflect that in the meeting on Monday and also yesterday on a phone conversation with the Governor did ask the LT. Governor to come to the Legislature and talk with the members of the legislature. Is there any other member? Short recess.

The Senate recessed at 8:00 p.m.

And

The Senate reconvened at 8:40 p.m.

RESOLUTION CALENDAR

FIRST READING

LEG. NO.	TITLE

FINAL READING

LEG. NO.	TITLE
S.B. 17-45	To amend 4 CMC § 1307 to require taxes on Gross Revenue to be paid on a monthly basis RECESS: 8:00 p.m. RETURNED: 8:45 p.m.
H.B. No. 17-122, HD2, SS1 PASSED	To make appropriations for the operations and activities of the Government of the CNMI, its agencies, instrumentalities, and independent programs, and to provide budget authority for government corporations for FY 2011.”

President Paul A. Manglona: Good evening we are back to our session and before we recessed we were still on discussion on Senate Substitute 1, House Bill No. 17-122, HD2. Is there any further discussion? If none, Senate Clerk, roll call please.

The Clerk called the roll on the motion to pass House Bill No. 17-122, HD2, SS1.

Senator Juan M. Ayuyu: Mr. President, please allow me to share somethings before I cast my vote.

President Paul A. Manglona: No objection.

Senator Juan M. Ayuyu: Thank you Mr. President and members. Before I vote I would like to state for the record the purpose of voting on this bill. You know during our meeting with the Lt. Governor and members of the House and including ourselves in the Senate on Monday evening, I feel that the House version the way it was transmit earlier is not a balanced budget based on the information from the Lt. Governor I took that seriously and after considering that I believe that I should support the Senate’s version and my vote is yes.

Senator Juan M. Ayuyu	yes
Senator Luis P. Crisostimo	no
Senator Francisco Q. Cruz	yes
Senator Jude U. Hofschneider	yes
Senator Pete P. Reyes	yes
Senator Henry H. San Nicolas	yes

Senator Jovita M. Taimanao	yes
Senator Ralph DLG. Torres	yes
Senate President Paul A. Manglona	yes

President Paul A. Manglona: Okay by a vote of 8 yes and 1 no that Senate hereby passes House Bill No. 17-122, HD2, SS1 on First and Final Reading.

PETITIONS, MEMORIALS AND MISCELLANEOUS COMMUNICATIONS

1. **Misc. Comm. No. 17-89:** October 01, 2010 –Commonwealth Retirement Association, Chairman, Mr. Juan M. Sablan regarding passing FY 2011 Budget.
2. **Misc. Comm. No. 17-90:** September 29, 2010 – Tina Sablan statement to the 17th Legislature members regarding passing a timely balanced budget.

NONE

MISCELLANEOUS BUSINESS

NONE

ANNOUNCEMENT

NONE

ADJOURNMENT

Floor Leader Pete P. Reyes: Mr. President, I move to adjourn subject to your call.

Seconded by Vice President Jude U. Hofschneider.

President Paul A. Manglona: Okay there is a motion, discussion? Those in favor say “aye”.

Several members voiced, “aye”.

President Paul A. Manglona: All opposed say, “nay”.

The motion was carried by voice vote.

President Paul A. Manglona: The Senate adjourns subject to the call of the Chair.

The Senate adjourned at 8:45 p.m. subject to the call of the Chair.

Respectfully Submitted,

/s/Geraldine T. Cruz
Senate Journal Clerk

APPEARANCE OF SENATE LOCAL BILLS

LEG. NO.	TITLE
	NONE

The Senate may consider, debate, and/or act upon any item contained in this Order of Business at the time and place described herein.