

## THE SENATE TWENTY-FIRST NORTHERN MARIANAS COMMONWEALTH LEGISLATURE



## SENATE JOURNAL

## FIFTH SPECIAL SESSION – 2019

SJ 21-07

First Day

Thursday, June 13, 2019

In compliance with the Open Government Act, Senate President, Victor B. Hocog, issued a session call on June 11, 2019 that the Senate of the Twenty-First Northern Marianas Commonwealth Legislature will convene this open and public session. The notice, the official session call, and the session agenda was filed in the Office of the Senate Clerk; released to the media; and posted at the Entrance Halls of the Office of the Governor, the Senate and the House of Representatives, posted on the Commonwealth Legislature’s website at [www.cnmileg.gov.mp](http://www.cnmileg.gov.mp).

The Senate of the Twenty-First Northern Marianas Commonwealth Legislature convened its First Day, Fifth Special Session, on June 13, 2019, at 10:33 a.m. in the Senate Chamber, Capitol Hill, Saipan, Commonwealth of the Northern Mariana Islands.

The Honorable Victor B. Hocog, President of the Senate, presided.

A moment of silent prayer was observed.

The Clerk called the roll, eight members are “present” and one “absent.”

**President Hocog:** Thank you, madam Clerk. With eight members present for today's session, we hereby constitute a quorum to move forward with our Order of Business. I like the record to reflect that Senator Francisco M. Borja is hereby “excused” for today’s session. Public Comments.

## PUBLIC COMMENTS

**President Hocog:** Any one? Recognized, Mrs. McPheters.

**Mrs. Agnes McPheters:** Thank you, Mr. President and important and excellent body of this House of Senators. Since I was not here when they were being interviewed or I won’t say interrogated, but being questioned by the Committee, I would like to publicly support the two candidates that I hope this body will confirm them as soon as possible so that we can continue our work at NMTI. My name is, Agnes Mangloña McPheters, the CEO of NMTI for the record. I am supporting wholeheartedly Mr. Kautz since he has served as a Member of NMTI Board of Directors since 2014. And since that time, all his action has impressed me with his high ethical standard and his resourcefulness in finding solution to complex matter and problems that NMTI had face most especially, matter requiring the

support of key stockholders which is essential for NMTI to grow. Mr. Kautz acts as a quiet person but when he does speak, it is profound and well thought out. He back his words with his action to the extent that he even speaks out in the golf course, if you ever played golf with him, regarding the critical role of NMTI placed in the improvement of NMTI economy or CNMI economy. NMTI is extremely grateful to the Governor for appointing Mr. Kautz as one of the Trustee of Northern Marianas Technical Institute. We are all aware that for any organization or institution to continue moving forward positively, historical knowledge and experience are essential element for success. Since Mr. Kautz played a pivotal role in the establishment of policies and governance as well as NMTI success to date, he brings to the Board of Trustees the knowledge and skill required for NMTI to become the career and technical training center for addressing the overall manpower needs within the community and governmental and private sectors. Ms. Irene Holl, I am also in full support of Mrs. Irene Holl, she is a fellow Rotarian. I have worked with her in a variety of projects that we both serve as members of the Rotary Club of Saipan. She always shows determination and commitment in our project she under stake as a Rotarian. These two qualifications are really essential for NMTI Board of Trustees, determination and commitment, and she has that. Based on Mrs. Holl's experience in the private sector adds tremendous value to her qualification for providing guidance to the institute as to the type of training funding source and ways to address the needs of the business community. Base on my statement, I am asking this body to please, please support our two candidates because I know they are going to lead the institution in the right direction. Thank you very much.

**President Hocog**: Thank you, Mrs. McPheters. Any other members from the audience? If none, I want to assure you, Mrs. McPheters, that your statement to expeditiously give you your board, I would now like to ask the Floor Leader for the proper motion to expeditiously act on the nomination. Floor Leader?

**Floor Leader Quitugua**: *Si Yu'us ma'ase*, Mr. President. Mr. President, I move to Item M so we can take action on the Standing Committee Reports relative to the nominations of the Board of Trustees to NMTI and also to CHCC.

The motion has been seconded.

**President Hocog**: There is a motion and it has been seconded, discussion? Ready? Those in favor of the motion to move from Item C to M say, "Aye." Those opposed say, "Nay."

All members voiced, "Aye."

**President Hocog**: Motion carries. Floor Leader?

## **REPORTS OF STANDING COMMITTEES**

**Floor Leader Quitugua**: *Si Yu'us ma'ase*, Mr. President. Mr. President, a motion for the adoption of Standing Committee Report No. 21-18 from the Committee on Executive Appointments and Government Investigations reporting on the appointment of Mr. Richard P. Kautz, Jr. to serve as a

member of the Board of Trustees for the Northern Marianas Technical Institute to represent the business community, so move.

The motion has been seconded.

**President Hocog:** There is a motion and has been seconded to adopt Standing Committee Report No. 21-18 with respect to the appointment of Mr. Richard Kautz, Jr. to serve as a member of the Board of Trustees for the Northern Marianas Technical Institute and business community, discussion? May I recognize Chairman Cruz.

**Senator Cruz:** Thank you, Mr. President. Mr. President, your Committee on Executive Appointments and Government Investigations is ready to present Standing Committee Report No. 21-18 and this is the executive appointment of Mr. Richard P. Kautz, Jr. to serve as a member of the Northern Marianas Technical Institute Board of Trustees. Mr. President, your Committee on Executive Appointments and Government Investigations to which was referred the appointment of Mr. Richard P. Kautz, Jr. to serve as a member of the Northern Marianas Technical Institute begs to leave as follows: After review and consideration of testimonies provided, your Committee recommends the confirmation of Mr. Richard P. Kautz, Jr.' s appointment to serve as a Northern Marianas Technical Institute Board of Trustees. Pursuant to Rule 8, Section 5 of the Official Rules of the Senate, it is the duty and purpose of your Committee to report to the Senate for legislative action pertaining to the executive appointment of Mr. Richard P. Kautz, Jr. to serve as a Member of the Northern Marianas Technical Institute Board of Trustees. Your Committee has examined all pertinent documents relating to the executive appointment of Mr. Richard P. Kautz, Jr. overall credentials to serve as a Member of the Northern Marianas Technical Institute Board of Trustees. In summation of all written and oral testimonies provided to the Committee, there are 2 written and 2 oral testimonies in support of the appointee. No written or oral testimonies in opposition of the appointee were received by the Committee. Additionally, your Committee stated several recommendations, issues, and concerns to the appointee that are included in this report. Based on the overall assessment of Mr. Kautz's credentials, experiences, testimonies, goals for the department, and other relevant issues considered, your Committee is convinced that Mr. Kautz has the qualifications and leadership skills necessary to serve as a Member of the Northern Marianas Technical Institute Board of Trustees. Mr. Richard P. Kautz, Jr. was appointed by Governor Ralph DLG. Torres and Lieutenant Governor Arnold I. Palacios on April 5, 2019, to serve as a member of the NMTI Board of Trustees. The appointment packet was forwarded to the Senate on April 25, 2019. On May 13, 2019 the appointment of Mr. Kautz was referred to your Committee for consideration. A public hearing was conducted on June 5, 2019, here at the Senate Chamber of the Honorable Jesus P. Mafnas Memorial Building, Capitol Hill, Saipan. During the hearing, certain recommendations, issues and concerns were raised for the appointee to address and look into when confirmed as a board member. Mr. President, in conclusion, all required documents in conformance with Rule 8, Section 5 of the Official Rules of the Senate have been submitted to your Committee for review and consideration. Based on the submission of pertinent documents and testimonies, your Committee concludes that the appointment of Mr. Kautz to serve as a member of the NMTI Board of Trustees in accordance with 3 CMC § 12112. Therefore, your Committee consents the confirmation of Mr. Richard P. Kautz, Jr. to serve as a member of the NMTI Board of Trustees. Again, I ask the full members of this body to consider Standing Committee Report No. 21-18. Thank you, Mr. President.

**President Hocog:** Thank you, Chairman Cruz. Any other member? Ready? Clerk, can you please call the roll?

**CLERK** called the roll:

Senator Francisco M. Borja	Excused
Senator Francisco Q. Cruz	Yes
Senator Jude U. Hofschneider	Hunggan (Yes)
Senator Sixto K. Igisomar	Yes
Senator Paul A. Mangloña	Yes
Senator Justo S. Quitugua	Hunggan (Yes)
Senator Vinnie F. Sablan	Yes
Senator Teresita A. Santos	Yes
President Victor B. Hocog	Yes

**CLERK:** Mr. President, all eight members voting “yes.”

**President Hocog:** Thank you, madam Clerk. With all eight members voting “yes” on Standing Committee Report No. 21-18, I’m very happy to extend our congratulations to Mr. Richard Kautz, Jr. to serve another term as NMTI Board of Trustees. Congratulations, Mr. Kautz! [APPLAUSE] Floor Leader?

**Floor Leader Quitugua:** *Si Yu’us ma’ase*, Mr. President. Mr. President, before I make a motion on the next Standing Committee Report, I would like to make some corrections on the previous motion that Mr. Kautz’s appointment is for the Board of Trustees for the Northern Marianas Technical Institute and not Northern Marianas Trade Institute. Now for the next motion, I move for the adoption of Standing Committee Report No. 21-19 from the Committee on Executive Appointments and Government Investigations reporting on the appointment of Mrs. Irene N. Holl to serve as a Member of the Board of Trustees for the Northern Marianas Technical Institute to represent the business community, so move.

The motion has been seconded.

**President Hocog:** There's a motion on the floor that have been made and seconded, discussion on the motion on Standing Committee Report No. 21-19? Let me recognize Chairman Cruz.

**Senator Cruz:** Thank you, Mr. President. Mr. President, this is the second Committee Report from your subcommittee on Executive Appointments and Government Investigations is ready to present Standing Committee Report No. 21-19 and this is the executive appointment of Mrs. Irene Holl to serve as a Member of the Northern Marianas Technical Institute Board of Trustees. Mr. President, your Committee on Executive Appointments and Government Investigations to which was referred the appointment of Mrs. Irene Holl to serve as a Member of the Northern Marianas Technical Institute begs leave to report as follows: After review and consideration of testimonies provided, your Committee recommends the confirmation of Mrs. Irene Holl' s appointment to serve as a Northern

Marianas Technical Institute Board of Trustees. Pursuant to Rule 8, Section 5 of the Official Rules of the Senate, it is the duty and purpose of your Committee to report to the Senate for legislative action pertaining to the executive appointment of Mrs. Irene Holl to serve as a Member of the Northern Marianas Technical Institute Board of Trustees. Your Committee has examined all pertinent documents relating to the executive appointment of Mrs. Irene Holl's overall credentials to serve as a Member of the Northern Marianas Technical Institute Board of Trustees. In summation of all written and oral testimonies provided to the Committee, there are 6 written and 2 oral testimonies in support of the appointee. No written or oral testimonies in opposition of the appointee were received by the Committee. Additionally, your Committee stated several recommendations, issues, and concerns to the appointee that are included in this report. Based on the overall assessment of Ms. Holl's credentials, experiences, testimonies, goals for the department, and other relevant issues considered, your Committee is convinced that Ms. Holl has the qualifications and leadership skills necessary to serve as a Member of the Northern Marianas Technical Institute Board of Trustees. Ms. Irene Holl was appointed by Governor Ralph DLG. Torres and Lieutenant Governor Arnold I. Palacios on April 5, 2019, to serve as a member of the NMTI Board of Trustees. The appointment packet was forwarded to the Senate on April 25, 2019. On May 13, 2019 the appointment of Mrs. Holl was referred to your Committee for consideration. Public Hearing was conducted on June 5, 2019 here in the Senate Chamber of the Honorable Jesus P. Mafnas Memorial Building, Capitol Hill, Saipan. During the hearing, certain recommendations, issues and concerns were raised for the appointee to address and look into when confirmed as a board member. In conclusion, all required documents in conformance with Rule 8, Section 5 of the Official Rules of the Senate have been submitted to your Committee for review and consideration. Based on the submission of pertinent documents and testimonies, your Committee concludes that the appointment of Mrs. Holl to serve as a member of the NMTI Board of Trustees in accordance with 3 CMC § 12112. Therefore, your Committee consents the confirmation of Ms. Irene N. Holl to serve as a member of the NMTI Board of Trustees. Again, I ask the full body of the Senate to support Standing Committee Report No. 21-19. Thank you, Mr. President.

**President Hocog:** Thank you, Chairman Cruz. If no other members would like to make any statement, I would like now the Clerk to call the roll please.

**CLERK** called the roll:

Senator Francisco M. Borja	Excused
Senator Francisco Q. Cruz	Yes
Senator Jude U. Hofschneider	Hunggan (Yes)
Senator Sixto K. Igisomar	Yes
Senator Paul A. Mangloña	Yes
Senator Justo S. Quitugua	Hunggan (Yes)
Senator Vinnie F. Sablan	Yes
Senator Teresita A. Santos	No
President Victor B. Hocog	Yes

**CLERK:** Mr. President, seven members voting “yes” and one voting “no.”

**President Hocog:** With seven members voting “yes” one voting “no” Mrs. Holl is hereby confirmed by the majority of each member. Congratulations, Mrs. Irene Holl and welcome again to the family of NMTI Board of Trustee. [APPLAUSE] Floor Leader?

**Floor Leader Quitugua:** *Si Yu’us ma’ase*, Mr. President. Mr. President, I move for the adoption of Standing Committee Report No. 21-21 from the Committee on Executive Appointments and Government Investigations reporting on the appointment of Mrs. Corrine H. Santos to serve as a Member of the Commonwealth Healthcare Corporation Board of Trustees representing the Second Senatorial District.

The motion has been seconded.

**President Hocog:** There is a motion and has been seconded to adopt also Standing Committee Report No. 21-21 with respect to the appointment of Mrs. Corrine H. Santos to serve as a Member of the CHCC Board of Trustees representing the Second Senatorial District, discussion? Recognized, Senator Cruz.

**Senator Cruz:** Thank you, Mr. President. Mr. President, this is the third and last committee report that your Committee on Executive Appointments and Government Investigations is ready to present this morning, and this is Standing Committee Report No. 21-21, and this is the executive appointment of Mrs. Corrine H. Santos to serve as a Member of the Commonwealth Healthcare Corporation Board of Trustees. Mr. President, your Committee on Executive Appointments and Government Investigations to which was referred the appointment of Mrs. Corrine H. Santos to serve as a Member of the Commonwealth Healthcare Corporation Board of Trustees begs leave to report as follows: After review and consideration of testimonies provided, your Committee recommends the confirmation of Mrs. Santos's appointment to serve as a Member of the CHCC Board of Trustees. Pursuant to Rule 8, Section 5 of the Official Rules of the Senate, it is the duty and purpose of your Committee to report to the Senate for legislative action pertaining to the executive appointment of Mrs. Santos to serve as a Member of the Commonwealth Healthcare Corporation Board of Trustees. Your Committee has examined all pertinent documents relating to the executive appointment of Mrs. Corrine H. Santos' overall credentials to serve as a Member of the Commonwealth Healthcare Corporation Board of Trustees. In summation of all written and oral testimonies provided to the Committee, there are 7 written and 8 oral testimonies in support of the appointee. No written or oral testimonies in opposition of the appointee were received by the Committee. Additionally, your Committee stated several recommendations, issues, and concerns to the appointee that are included in this report. Based on the overall assessment of Mrs. Santos' credentials, experiences, testimonies, goals for the department, and other relevant issues considered, your Committee is convinced that Mrs. Santos has the qualification and leadership skills necessary to serve as a Member of the Commonwealth Healthcare Corporation Board of Trustees. Mrs. Santos was appointed by Governor Ralph DLG. Torres and Lieutenant Governor Arnold I. Palacios on April 5, 2019, to serve as a member of the CHCC Board of Trustees. The appointment packet was forwarded to the Senate on April 17, 2019. On May 13, 2019 the appointment of Mrs. Santos was referred to your Committee for consideration. The Public Hearing was conducted on June 7, 2019 Tinian Court House, San Jose, Tinian. During the hearings certain recommendations, issues and concerns were raised for the appointee to address and look into when confirmed as a trustee member. All required documents in conformance with Rule 8, Section 5 of the

Official Rules of the Senate have been submitted to your Committee for review and consideration. Based on the submission of pertinent documents and testimonies, your Committee concludes that the appointment of Mrs. Santos to serve as a Member of the Commonwealth Healthcare Corporation Board of Trustees in accordance with 3 CMC § 2825. Therefore, your Committee consents the confirmation of Mrs. Corrine H. Santos to serve as a Member of the Commonwealth Healthcare Corporation Board of Trustees. Again, I ask the full members of this body to support Standing Committee Report No. 21-21. Thank you, Mr. President.

**President Hocog:** Thank you, Chairman Cruz. Are we ready for the question? Madam Clerk, please call the roll.

**CLERK** called the roll:

Senator Francisco M. Borja	Excused
Senator Francisco Q. Cruz	Yes
Senator Jude U. Hofschneider	Abstained
Senator Sixto K. Igisomar	Aweer (Yes)
Senator Paul A. Mangloña	Yes
Senator Justo S. Quitugua	Hunggan (Yes)
Senator Vinnie F. Sablan	Yes
Senator Teresita A. Santos	Yes
President Victor B. Hocog	Yes

**CLERK:** Mr. President, seven members voting “yes” and one “abstainsion.”

**President Hocog:** Thank you, madam Clerk. With seven voting “yes” and one “abstainsion” due to conflict of interest, I would like to extend our congratulations to you Corrine for getting the majority support to confirm you as a Member of the Board of Trustee for CHCC. Congratulations, again to all of you. [APPLAUSE] At this time, I would like to call for a short recess for the Senators to meet with the nearly confirmed Board of Trustees. Short recess.

The Senate recessed at 11:00 a.m.

### RECESS

The Senate reconvened at 11:24 a.m.

**President Hocog:** We're back to our plenary session. Floor Leader, may you effectuate a motion to go back to our Order of Business.

**Floor Leader Quitugua:** *Si Yu'us ma'ase*, Mr. President. Mr. President, a motion to return to Item C on today's Order of Business. Thank you.

The motion has been seconded.

**President Hocog**: Those in favor of the motion say, “Aye.” Those oppose say, “Nay.”

All members voiced, “Aye.”

**President Hocog**: Motion carries. We are back to Item C on our Order of Business. Floor Leader?

### **READING AND APPROVAL OF JOURNAL**

**Floor Leader Quitugua**: *Si Yu’us ma’ase*, Mr. President. Mr. President, a motion for the adoption of Senate Journal 21-04, First Day, Second Special Session, April 22, 2019; Senate Journal 21-05, First Day, Third Special Session, May 3, 2019; and Senate Journal 21-06, First Day, Fourth Special Session, May 23, 2019, so move.

The motion has been seconded.

**President Hocog**: There is a motion and it has been seconded, for the adoption of Senate Journals 21-04, 21-05, and 21-06 discussion? Ready? Those in favor of the motion to adopt the three journals 21-04, 21-05 and 21-06 say, “Aye.” Those opposed say, “Nay.”

All members voiced, “Aye.”

**President Hocog**: Motion carries. Senate Journals 21-04, 21-05 and 21-06 are hereby approved. Message from the Governor.

### **MESSAGES FROM THE GOVERNOR**

The Clerk voiced Governors Messages Nos. 21-59 to 21-75.

**President Hocog**: Recognized, Senator Santos.

**Senator Santos**: Thank you, Mr. President. This is in reference to Governors Message No. 21-62, I commend Congressman Donald Mangloña for his commitment and passion to appropriate funds for our dialysis and terminally ill patients and of course the administrations full support on House Local Bill No. 21-72. However, Mr. President, it’s strongly recommended that our delegation prior to taking any action on any appropriation bills that we first clarify the language to be used whether to appropriate or re-appropriate a subsequent legislation and most importantly to obtain from the Secretary of Finance fund certification status and not fund balances report which are becoming to be unreliable. And again, this is to ensure that funding is available for our delegation’s appropriations. Thank you, Mr. President.

**President Hocog**: Thank you, Senator Santos, for well said procedure. Any other member that would like to make comments under Governors Communications? If none, let’s move to our next Order of Business. Madam Clerk?



**COMMUNICATIONS FROM THE JUDICIAL**

None

**COMMUNICATIONS FROM THE HEADS OF EXECUTIVE DEPARTMENTS**

The Clerk voiced Department Message No. 21-06: Received 5/23/19 – CNMI State Medicaid Agency regarding Medicaid Providers on Saipan and all Medicaid Beneficiaries.

**President Hocog:** Thank you. Any member wants to make any statement on the Executive Department Communications? If none, scroll down to Communications from the House. Madam Clerk?

**COMMUNICATIONS FROM THE HOUSE**

The Clerk voiced House Communications Nos. 21-13 to 21-19.

**President Hocog:** Any discussion on those communications before we move on? None, let us go to Item H, Communications from the Senate.

**COMMUNICATIONS FROM THE SENATE**

The Clerk voiced Senate Communications Nos. 21-28 to 21-41.

**President Hocog:** If no comments, we go down to Communication from Washington Delegate.

**COMMUNICATIONS FROM THE JUDICIAL**

None

**UNFINISHED BUSINESS**

None

**PRE-FILED BILLS, INITIATIVES, LOCAL BILLS AND RESOLUTIONS**

Senate Resolution No. 21-04: To recognize the 2017-2019 NMTI Board of Directors for their tireless efforts aimed at the establishment of a publicly supported and funded trades training institution that will provide for a skilled and durable and local workforce becoming one of the pillars of the CNMI's economy. [SEN. JUSTO S. QUITUGUA – 6/11/19]

**INTRODUCTIONS OF BILLS, INITIATIVES, LOCAL BILLS AND RESOLUTIONS**

**President Hocog:** Floor Leader?

**Floor Leader Quitugua:** *Si Yu'us ma'ase*, Mr. President. Mr. President, introducing Senate Resolution No. 21-04, which has been pre-filed, "To recognize the 2017-2019 NMTI Board of Directors for their tireless efforts aimed at the establishment of a publicly supported and funded trades training institution that will provide for a skilled and durable local workforce becoming one of the pillars of the CNMI's economy." And if there's no objection from the members, Mr. President, I recommend that this resolution be introduced as a Committee of the Whole.

**President Hocog:** Thank you, Floor Leader. Clerk, I want the record to reflect that the resolution is being introduced as a Committee of the Whole. Anyone would like to introduce other bills? Chairman Vinnie Sablan?

**Senator Sablan:** Thank you, Mr. President. Are we on Item L or are we still --? Thank you, Mr. President. I would like to introduce an unnumbered Senate Bill, and this is "A Bill for an Act to repeal Sections 101 and 201(d) of Executive Order 94-3 and to establish the Office of Management and Budget within the Department of Finance; and for other purposes." Thank you, Mr. President. I would like to hand this over to the Senate Clerk.

**President Hocog:** Thank you. Any other member would like to introduce? Senator Mangloña, recognized.

**Senator Mangloña:** Thank you, Mr. President. I have three Legislative Initiatives that I would like to officially introduce it has been pre-filed earlier, Senate Legislative Initiative No. 21-03, "To propose a constitutional amendment to Article II section 10 of the CNMI Constitution to change the salary reduction limitations when austerity holidays or other reduced work hour legislation is applied to government workers." Senate Legislative Initiative 21-04, "To propose a constitutional amendment to Article III, section 5 and section 1 l(f) of the CNMI Constitution to change the salary reduction limitations when austerity holidays or other reduced work hour legislation is applied to government workers." And Senate Legislative Initiative No. 21-05, "To propose a constitutional amendment to Article IV section 6 of the CNMI Constitution to change the salary reduction limitations when austerity holidays or other reduced work hour legislation is applied to government workers." Thank you, Mr. President.

**President Hocog:** Thank you. Any other members? If none, the Chair has one Senate Legislative Initiative unnumbered and this is, "To allow government retirees to be reemployed without losing their retirement benefits for an unrestricted period of time, provided that qualified local non-retiree applicants be given first priority on any vacancies by amending Article III, section 20(b) of the Constitution of the Northern Mariana Islands." Introduced by myself and several others. Any other member wants to make an official introduction of bills, resolutions and initiatives? If none, we go to Item N.

## REPORTS OF SPECIAL/CONFERENCE COMMITTEE

None

**President Hocog**: There is none, we move to Item O, Resolution Calendar. Floor Leader?

### **RESOLUTION CALENDAR**

**Floor Leader Quitugua**: *Si Yu'us ma'ase*, Mr. President. Mr. President, I move for the adoption of House Concurrent Resolution No. 21-1, so move.

The motion has been seconded.

**President Hocog**: Discussion on the motion? Vice President?

**Senator Hofschneider**: Thank you, Mr. President. I would like to formally offer an Amendment to House Concurrent Resolution No. 21-1, which I understand everybody has a copy.

**President Hocog**: You may proceed.

**Senator Hofschneider**: Thank you, Mr. President. As indicated, the Floor Leader had moved to approve the House Concurrent Resolution approved by the House and I again for the record, offering an amendment to the said resolution. And essentially, the amendment takes heed on the Governor's recommendations and some of the provisions of which the projected funds and earmarks are inverted in to the budget package. So therefore, I would like to ask the members to reflect on Item 9, page 1, "WHEREAS" and if I can just read it out, Mr. President, if there is no objection, "WHEREAS, the Legislature finds that in the Governor's Fiscal Year 2020 Budget Transmittal letter, he recommends the suspension of Public Law 13-38 (Tobacco Control Fund) and Public Law 18-64 (Cancer Fund). Thus, these earmarked funds will not be transferred 1 out and should be removed from Part II(A) below and added to the total resources available for appropriation as set forth in Part III(a) of this House Concurrent Resolution"; and Page 2, line 3, "WHEREAS, the Legislature was informed by the Department of Finance on June 6, 2019 that the PSS Technical Education Fund (4 CMC § 2282) and the 4 CMC § 1508 funds reserved for the 2nd and 3rd Senatorial Districts were inadvertently excluded in the list of earmarked funds as shown Part II(A) and should be included in the list. The addition of the two earmarked funds to Part II(A) resulted in a corresponding adjustment of the net total for FY'2020 budgetary resources for appropriation in Part III(a);" and further qualify that provision, Mr. President, I ask the members to refer to page 3, the corresponding narrative of the provisions that I'm offering for action this morning, Mr. President. Thank you.

**President Hocog**: Thank you, Vice President Hofschneider. Any further discussion?

**Senator Hofschneider**: Mr. President?

**President Hocog**: Recognized.

**Senator Hofschneider:** And as a result of that exercise the total revenue and resource available for appropriation for Commonwealth government activities in Fiscal Year 2000 it went from \$147,135,251 to \$148,891,008, so move.

The motion has been seconded.

**President Hocog:** There is a motion and it has been seconded for the adoption of the Amendment offered by Senator Jude U. Hofschneider, discussion? Ready? Recognized.

**Senator Mangloña:** The math here, Mr. Chairman, when you amended the language there on page 2, technically, you are adding \$3,000,000 in the earmarking section and if we were not amending that, what would have happened here, can you just explain as far as the numbers?

**Senator Hofschneider:** The Governor's message aims to suspend those two provisions which we are including in this Amendment. However, on the other statute Public Law 20-59 under 4 CMC §1508 based on the meeting with OMB and Finance, there was no intention of suspending that so therefore, because it wasn't really included in the message we had to take heed that it's not meant. We therefore, need to memorialize it and look at the projected revenues that is expected for 2020. That is a reflection on page 4, starting on line 12, that enumerates \$3.152, that is what we understood during the meetings with the Administration and Finance, that it was not intended, so therefore, we had to reinstated in to the earmarks.

**Senator Mangloña:** When we passed Public Law 20-59 it was never really finalized?

**Senator Hofschneider:** It was suspended for Fiscal Year 2019, therefore, that one is not being considered it went in to the Fiscal Year 2019. For Fiscal Year 2020 it was not intended to be suspended that is why we need to and the projection for that is approximately \$3.152.

**Senator Mangloña:** Mr. Chairman, I take your word for this but I guess, I just need to further clarify that later. Thank you.

**Senator Hofschneider:** Thank you.

**President Hocog:** Any further discussion on the Amendment? Recognized again, Senator Jude U. Hofschneider.

**Senator Hofschneider:** Mr. President, I apologize. And of the action taken by this body, Mr. President and your Fiscal Affairs Committee, we realize additional half a million dollars that's going to PSS and all the left \$580,000.00, we take heed on the Governor's request to budget for the Cannabis Commission and the remaining went to Northern Marianas College for Fiscal Year 2020. Thank you, Mr. President.

**President Hocog:** Thank you, Vice President. Any other discussion? Ready for the question? Those in favor of the Vice President's Amendment to House Concurrent Resolution No. 21-1, in the form of SD1, please say, "Aye." Those opposed say, "Nay."

All members voiced, “Aye.”

**President Hocog**: Motion carries. Let me just call for a short recess.

The Senate recessed at 11:42 a.m.

**RECESS**

The Senate reconvened at 11:43 a.m.

**President Hocog**: We are back again from our short recess. Floor Leader, can you effectuate a proper motion for the adoption of House Concurrent Resolution No. 21-1, in the form of SD1?

**Floor Leader Quitugua**: Thank you, Mr. President. Mr. President, I move for the adoption of House Concurrent Resolution No. 21-1, SD1, so move.

The motion has been seconded.

**President Hocog**: It has been moved and seconded, discussion? Ready? Madam Clerk, please call the roll.

**CLERK** called the roll:

Senator Francisco M. Borja	Excused
Senator Francisco Q. Cruz	Yes
Senator Jude U. Hofschneider	Hunggan (Yes)
Senator Sixto K. Igisomar	Aweer (Yes)
Senator Paul A. Mangloña	Yes
Senator Justo S. Quitugua	Hunggan (Yes)
Senator Vinnie F. Sablan	Yes
Senator Teresita A. Santos	Yes
President Victor B. Hocog	Yes

**CLERK**: Mr. President, all eight members voting “yes.”

**President Hocog**: With all eight members voting “yes” to pass House Concurrent Resolution No. 21-1, in the form of SD1, by a vote of eight (8) “yes” hereby passes the Senate. Floor Leader?

**Floor Leader Quitugua**: *Si Yu’us ma’ase*, Mr. President. A motion for the adoption of Senate Resolution No. 21-04, so move.

The motion has been seconded.

**President Hocog**: There's a motion to also adopt Senate Resolution No. 21-04, discussion?

**Senator Santos**: Mr. President, is this Senate Resolution No. 21-04 introduced by the Committee as a Whole?

**Floor Leader Quitugua**: Yes.

**President Hocog**: Those in favor of the motion to adopt Senate Resolution No. 21-04 say, "Aye." Those opposed say, "Nay."

All members voiced, "Aye."

**President Hocog**: Motion carries. Senate Resolution No. 21-04 is hereby adopted by the Senate. Floor Leader?

### BILL CALENDAR

**Floor Leader Quitugua**: Mr. President, we are on the Bill Calendar. A motion for the passage of House Bill No. 21-56, HS1, HD1, "To authorize the Governor, Chief Justice, Director of Legislative Bureau, the Mayors and Municipal Councils reprogramming authority prior to the enactment of a comprehensive appropriations act for fiscal year 2020," so move.

The motion has been seconded.

**President Hocog**: There's a motion for the passage of House Bill No. 21-56, HS1, HD1, discussion? Senator Santos, recognized.

**Senator Santos**: Thank you, Mr. President. First, the decision to provide unlimited reprogramming authority to the Governor, Chief Justice, Director of Legislative Bureau, the respective Mayors of each Senatorial Districts and that of the Rota Municipal Councils may be unpopular, but for some decision to provide this unlimited reprogramming authority may be the most practical or suitable approach considering the economics scarcity we are at this stage. And so, by granting said reprogramming authority and with a limited financial resources there it will provide greater flexibility or adjustability for one to move around funds where funds are critically needed to provide continuity of vital public services and programs for the people and our community. The legislation, House Bill No. 21-56, HS1, HD1, is very straight forward it specifically language what and what cannot be reprogrammed by the Governor which included the funds appropriated under local laws. Further, the legislation requires reprogramming or reporting of such of any reprogramming provided by one 1 CMC § 7402(e), and so, the Mayor of Rota and the Rota Municipal Council officials of the First Senatorial District supports the extension of this reprogramming authority in light of the austerity measure that we are presently in. I support the intent of the legislation and more over the unlimited reprogramming authority is only up to the enactment of a new fiscal budget or comprehensive budget for 2020. Thank you, Mr. President.

**President Hocog:** Thank you, Senator Santos. Prior to moving on let me take a short recess for some technical issues.

The Senate recessed at 11:49 a.m.

### RECESS

The Senate reconvened at 11:50 a.m.

**President Hocog:** We are back again on our plenary session after a short recess. I just want to make a note that the bill that we are just about to act most probably a typo error on the date when the House acted on the bill, and the bill is showing July 11, I believe it was June 11 when the House had their session. So, I would like to make sure that our Clerk make that note to the House when the bill is return back to make that technical correction on the bill that we're about to act today. Prior to recess, we're still under discussion. Let me recognize Senator Mangloña first.

**Senator Mangloña:** Thank you, Mr. President. On this House Bill No. 21-56 for the reprogramming, normally, as I have done in the past, I've no issue in supporting reprogramming 100%. As a matter of fact, I went back to Public Law 15-1, I ask for a copy of the journal for that session. I have no problem voting for a reprogramming, Mr. President, the only issue that have used the back when we voted on 15-1, we knew 100% we were sure that the revenue was not going to get better or that the revenue is going to continue going down. Today, it is little bit somewhat different because there are many questions that the legislature need to ask, need to get the realistic figures for these expenditures and revenues and reimbursements and what have you, and it is for that reason that I have a difficult time trying to justify my support for this bill. This morning I send a letter to the Governor, a very respectful letter asking for help. I am not going to read it because it's a four-page letter, but information that I kindly ask him to provide us is for example, let me just read a portion of my letter, Casino Business Gross Receipt Tax, number one question is, what is the reason for the drastic decrease in the Casino Business Gross Receipt Tax? In 2016 IPI paid approximately \$41,000,000; in 2017 \$68,000,000; in 2018 \$44,000,000; and in 2019 they paid a mere \$41,000 since last July, so my question is, what tax credits were earned by IPI and how much have they claimed in lieu of paying the Business Gross Receipt Tax? On the BGRT still, what is the impact of Public Law 20-85 on the government's collection on the Business Gross Receipt Tax? Did this new law that we passed that was introduced on the same day passed on the same day in the Senate to passed in the House have any impact on the casino gross income? Because if IPI is figuring it out it is taxable income, they declare these bad debts and resulting in tens of millions in law suit so these are questions. And then, what verifiable and aggressive steps are being taken by IPI to collect bad debts even that gambling debts are illegal in China so they wiped this out. Let's say, three months later, they strong arm somebody and collect that money, how do we know that they did not collect that so that they can report that that's income? Another question is, is the Business Gross Receipt Tax including those previously appropriated presently being intermingle with CNMI general funds and are being used as part of the cash flow management? If this is true, wouldn't this put the payment of the retirees 25% pension at severe risk since the first \$22,000,000 of the BGRT is earmark and continuously appropriated for the retirement pension obligation pursuant to Public Law 20-10. Similarity, I believe because of fund intermingling the according of the contract for the Public School Systems \$400,000 air conditioning

appropriation for Dr. Rita H. Inos Junior-Senior High School in and the Sina Palo Elementary School recently have to be canceled because the Department of Finance incorrectly determined that there was a lack of funding for these air conditioning units that were damaged during the typhoon when it should have stated that there was cash flow management dilemma. Another question on the casino –

**President Hocog:** Just to ask you, if you can provide the letter to the members since you wrote that to the Governor may be we'll wait for his response on your letter?

**Senator Mangloña:** Just give me a minute then to summarize it quickly and then I'll move on. Because I am trying to make a point, Mr. President, that on the revenue side, in passing this legislation normally we will do this if we know that there's no money coming in, but if you know that there's money coming in such as the \$20,000,000 casino benefit fund that could be flexible to subsidize PSS and the Hospital. What I'm saying is, why is the Legislature then shutting down and giving up its responsibility in trying to balance the budget in June, July, August, September, that is one-third of the fiscal year and we're saying, we're giving up? We are going to give the Governor the authority; the Judicial Branch the authority to run our government when we haven't yet done our work, I believe, because we have this potential revenue like the FEMA reimbursement or if the loan at MPLT goes through, we have this increase income for fiscal year 2020 and beyond that, we are trying to offset the revenue shortfall. So, I think it's incumbent upon us, Mr. President, by the way, the Secretary of Finance letter to Representative Blanco said, that he was just going to adjust 4.7% and with the belt tightening another \$10,000,000 will be safe and we'll be OK. And then, I understand that then more information came in and then the Governor on May 2 said, that he is going to add another \$17.9 million on top of the \$12, and so that's why we have the austerity cut hours. So, I'm thinking that we're almost there, we are just balancing it out and it is just now a matter of finding more about the FEMA reimbursement; about the CDBG \$100,000,000 reimbursement act that we're probably going to get because it is at President Clinton's desk now, and maybe some of that we can have some flexibility to offset this. So I'm saying, it is not really that bad as it might be just a management cash flow issue, I don't know, but it's necessary for us to check what is it and so that our role is to see if we really need to cut the hours then if we show our people that we got the numbers, they're correct and this is the situation they will accept it. But if we do not have a transparent legislative process that is credible, insensible, then the people there are not going to back us, they are not going to be behind us. So that is the geese of my letter. I'll provide copies but Mr. President, respectfully, I cannot still support this 100% reprogramming knowing that –

**President Hocog:** Alright, Senator Mangloña, we heard you and I want to let you know that the committee itself or themselves are taking those action that you just mentioned, it is all up to you whether to support or not to support that is your call. But the committee finds and the members find that this reprogramming authority necessitate to make the operation of government meet its operation before the end of the year. And I believe and I agree with you, that the Legislature needs to be visible also and create lots of visions and objectives of how do we bring resources to our Commonwealth? Like, we cannot just be complaining and not doing nothing we have to help. And exactly what the committee has been doing, both the House and Senate have been meeting with the Governor with the same concern that you are raising up and hopefully that we will come to an answer and closure of this concern. I am pretty sure that we will pull through all this and that's why we're working on a lot of



amendment on the present public laws to ensure that we correct what we did see in the past. Senator Igisomar, recognized.

**Senator Igisomar:** Thank you very much, Mr. President. First of all, I thank Senator Mangloña for those inquires and not to be repetitive, I know you've mentioned the response back to Senator Mangloña's concerns. But there is transparency, our committee has been diligently meeting with the Governor, the Secretary of Finance and OMB on a daily basis that is why it can be reflected in my opinion to the action of this Senate on the concurrent base on our analysis and base on our reveal on the total revenue resources coming in for the next fiscal year. However, this right now, the authorization and this bill that we are providing the Governor, for me, is just a preliminary and only one of a component that is necessary, that is really necessary out of all these complexities in our CNMI financial resources that we need now. It is one of those components to try and alleviate the austerity we were in. And you are right, Mr. President, I fully support this bill because at the moment while our inquiries and our discussions are ongoing, I cannot wait until we finally figure everything out before we make a decision if the government and the administration is saying, I need this authority right now to be able to help our people and to be able to sustain this austerity so that we do not cut further than I fully supported. And I need to believe in it, and I have to believe in it, because right now, our people are going to be cut in their hours and if we don't give this authorization and were not able to move funds around right now, these people will be further cut for additional hours which I do not want to go there. So, I truly understand Senator Mangloña's concern and all those things through the committee Chairman, Senator Hofschneider, we've addressed all those things and we believe we're totally comfortable that we can go through this process all those questions whether answers are here or not, but this right now, this component is significant for us to alleviate further austerity, and if, I'm hoping and we are still praying that we get more resources coming in after today so that this austerity can be shorten a lot faster before the end of the fiscal year. *Si Yu'us ma'ase*, Mr. President.

**President Hocog:** Thank you, Senator Igisomar.

**Senator Mangloña:** Mr. President, for the last time just short.

**President Hocog:** Recognized.

**Senator Mangloña:** Thank you, Mr. President. I was just going to keep quiet, but it sounds like maybe I'm being repetitive, but for example the \$20,000,000 from the casino community benefit fund, you said you have the answer, so I want to know that \$20,000,000 last year in June and December that we get and this October another \$20,000,000 from the community benefit fund, has the committee got an answer on how much of that can be used to alleviate the resources? Questions like that will go a long way if we get them. So, can I ask just that one issue out of the many that I lists in my letter? Do we know much of the \$20,000,000 that they gave us in 2018? And this coming October, I know that it doesn't go to the general fund and it is not part of the general funding resources, but it is something that is flexible that the casino commits itself and obligated under the casino licensing agreement between the Lottery Commission and IPI, how much of that can we use to offset some of the shortfalls?

**President Hocog:** Thank you, Senator Mangloña. And that is one of the worry that we all have to start looking into, are we going to get our \$20,000,000 on that or our \$15,000,000 are we really going

to get it comes August? It is all up in the air. Are we going to continue to get our community chest fund? It is all up in the air. So, how do we move this things?

**Senator Mangloña**: Mr. President, the \$20,000,000 is already there it should be there.

**President Hocog**: The \$20,000,000 Senator Mangloña, is not been paid fully 100%. It is not paid 100%, I believe the \$10,000,000 is due this month. Any further question? Ready? Madam Clerk, call the roll.

**CLERK** called the roll:

Senator Francisco M. Borja	Excused
Senator Francisco Q. Cruz	Yes
Senator Jude U. Hofschneider	Hunggan (Yes)
Senator Sixto K. Igisomar	Aweer (Yes)
Senator Paul A. Mangloña	No
Senator Justo S. Quitugua	Hunggan (Yes)
Senator Vinnie F. Sablan	Yes
Senator Teresita A. Santos	Yes
President Victor B. Hocog	Yes

**CLERK**: Mr. President, seven members voting “yes” and one “no.”

**President Hocog**: With seven members voting “yes” and one “no” House Bill No. 21-56, HS1, HD1, hereby passes the Senate. Floor Leader?

## PETITIONS, MEMORIALS AND MISCELLANEOUS COMMUNICATIONS

The Clerk voiced Miscellaneous Communication No. 21-32: April 29, 2019 – Commonwealth Casino Commission’s 2014-2018 Multi-Year Revenue and Website.

**Floor Leader Quitugua**: Mr. President, since there is no comment on Item Q, we can move down to adjournment.

The motion has been seconded.

## ANNOUNCEMENTS

None

## ADJOURNMENT

**President Hocog**: There is a motion to move from Item Q down to Item S for adjournment and it has been seconded. Those in favor of the motion say, “Aye.” Those opposed say, “Nay.”

All members voiced, "Aye."

**President Hocog:** Motion carries. The Senate session hereby stands adjourned subject to the call of the Chair. Thank you.

The Senate adjourned at 12:08 p.m.

Respectfully Submitted,

/s/Frances Joan P. Kaipat  
Senate Journal Clerk