
THE SENATE TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE



SENATE JOURNAL

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SJ 24-12

3rd Day

Monday, September 15, 2025

In compliance with the Open Government Act, Senate President, Karl R. King-Nabors, issued a session call on September 11, 2025 that the Senate of the Twenty-Fourth 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.net

The Honorable President of the Senate, Karl R. King-Nabors presided.

President Karl R. King-Nabors: Good afternoon everyone. I hereby call this Third Day, Second Regular Session to order. Today is September 15th, 2025. The time is 1:59 in the afternoon here in the Senate Chamber of the Vice Speaker Jesus P. Memorial Building Capitol Hill, Saipan. It is my honor to welcome everyone here this afternoon and before we proceed, I respectfully ask that we kindly turn any mobile devices to silent mode or turn them off so that they don't interrupt the proceedings. Also, today's session is being streamed live on for the viewing public, on cable television, Channel 23, Senate's YouTube page and the Northern Mariana's Commonwealth Legislature Facebook page. Before we proceed any further, I kindly ask that we rise and stand for a moment of silence.

A moment of silent prayer was observed.

And now, I'd like to ask the Clerk to please call the roll.

ROLL CALL

CLERK called the roll with the following results:

Senator Celina R. Babauta	Absent – Excused
Senator Ronnie M. Calvo	Present
Senator Manny Gregory T. Castro	<i>Esti guiha</i> (Present)
Senator Francisco Q. Cruz	Here
Senator Jude U. Hofschneider	<i>Gaige</i> (Here)
Senator Karl R. King-Nabors (President)	Here
Senator Corina L. Magofna	Present

Senator Donald M. Manglona	Present
Senator Paul A. Manglona	Here

CLERK: Mr. President, eight (8) members are present and one (1) member absent.

President Karl R. King-Nabors: With eight members present, we have the quorum to proceed with today's session. Let the record reflect that Senator Babauta is hereby excuse from today's session. Before proceeding on to the public comments, I would like to recognize the LB staff assisting us today for our Senate session. Sitting in for the clerk we have our Senate Journal Clerk Mrs. Chanele Borja, our Senate Clerk, Mrs. Dolores Bermudes, Legal Counsel for today is Mrs. Antoinette Villagomez, our Fiscal Analyst is Mr. David Demapan, Senior Legislative Assistant Mrs. Jolynn Duenas-Tagabuel, our Senior Sergeant-At-Arms is Benjamin Terlaje, assisting us with our IT is Delbert Camacho and here representing the Youth Congress and also assisting the Legislature with our social media is Mr. Luis John Castro. In the room too, I believe is our Legislative Assistant, Mr. Devin Macaranas. And with that before we move on to public comment, I would like to recognize the Floor Leader.

Floor Leader Donald M. Manglona: Thank you, Mr. President. With that I move to suspend pertinent rules to amend the agenda to include unnumbered communications.

President Karl R. King-Nabors: So, there's a motion to accept unnumbered communications and has been seconded. Discussion? Clerk, please call the roll.

CLERK called the roll with the following results:

Senator Celina R. Babauta	Absent – Excused
Senator Ronnie M. Calvo	Yes
Senator Manny Gregory T. Castro	Yes
Senator Francisco Q. Cruz	Yes
Senator Jude U. Hofsneider	<i>Hunggan</i> (Yes)
Senator Corina L. Magofna	Yes
Senator Donald M. Manglona	Yes
Senator Paul A. Manglona	Yes
Senator Karl R. King-Nabors (President)	Yes

CLERK: Mr. President, all eight (8) members present voting yes.

President Karl R. King-Nabors: With eight members voting yes, the unnumbered communications are hereby accepted by the Senate. I recognized Floor Leader.

Floor Leader Donald M. Manglona: Thank you, Mr. President. I move to suspend Rule 7, Section 10 to withdraw House Bill 24 46, HD1, and to place it on the Bill Calendar for our action at our next session.

President Karl R. King-Nabors: Any objections? All in favor say aye. All opposed say "Nay".

All members voiced, "Aye".

The ayes have it. Recognize Floor Leader.

Floor Leader Donald M. Manglona: Thank you Mr. President. At this time, I move to suspend pertinent rules to amend the agenda to place House Bill 24-50 on today's Bill Calendar for action.

President Karl R. King-Nabors: Do I hear a second?

Vice President Corina L. Magofna: Second.

The motion has been seconded.

President Karl R. King-Nabors: So, there has been a motion and has been seconded. All in favor say Aye. All opposed say nay.

All members voiced, "Aye".

President Karl R. King-Nabors: Ayes have it. Motion carries. Moving on to the public comment section. This is the section of our agenda where we allow the public to provide a comment on any of the agenda items on today's agenda. And with that public comment is officially open for the public. Please note whoever would like to make a public comment, please provide your name and the entity that you represent. And please keep it to about five minutes. Thank you. The floor is now open.

PUBLIC COMMENT
NONE

President Karl R. King-Nabors: There being none, Public Comment is officially closed. If there are no objections from the members, I would like to move directly to agenda Item K, Pre-filed Bills, Initiatives, Local Bills and Resolutions. And with that, I would like to recognize Senator Manny Gregorio T. Castro.

PRE-FILED BILLS, INITIATIVES, LOCAL BILLS AND RESOLUTIONS

Senator Manny G.T. Castro: Thank you Mr. President. I'd like to introduce Senate Bill 24-43, "To deregulate the hunting, taking, or possession of deer or Sambar deer in the CNMI; and for other purposes." introduced by myself. Thank you.

President Karl R. King-Nabors: Thank you, Senator Castro. I would now like to recognize the Vice President, Senator Magofna.

Vice President Corina L. Magofna: Thank you Mr. President. I would like to formally introduce Senate Resolution No. 24-10, "To disapprove the Mariana Eland Corporation's New Lease for the former Mariana Resort and Spa Properties." Thank you. And also, to request if there are no objections from the members, to place the Senate Resolution on calendar for action. Thank you.

President Karl R. King-Nabors: No objection from the members. Okay. I have a Resolution that I would like to introduce Senate Resolution 24-09, "To recognize and commend Herman Blas Cabrera for his unyielding service and contribution to architecture, education, and public service as the first Saipan-born Chamorro native licensed to practice architecture in the Commonwealth of the Northern Mariana Islands." I recognize the Floor Leader.

Floor Leader Donald M. Manglona: Thank you, Mr. President. As this time, I move to place Senate Resolution 24-10 on today's Resolution Calendar.

Vice President Corina L. Magofna: Second.

The motion has been seconded.

President Karl R. King-Nabors: There's been a motion to place Senate Resolution 24-10 on today's Resolution Calendar, and has been seconded. All in favor say aye. All opposed say nay.

All members voiced, "Aye".

President Karl R. King-Nabors: Senate Resolution 24-10 is hereby placed on today's Resolution Calendar. If there are no objections I would like to go to Item O, Resolution Calendar. Any objections from the members? No objections. I recognize the Floor Leader.

RESOLUTION CALENDAR

Floor Leader Donald M. Manglona: At this time Mr. President, I move for the adoption of Senate Resolution No. 24-09, "To recognize and commend Herman Blas Cabrera for his unyielding service and contribution to architecture, education, and public service as the first Saipan-born Chamorro native licensed to practice architecture in the Commonwealth of the Northern Mariana Islands."

The motion has been seconded.

President Karl R. King-Nabors: There has been a motion for the adoption of Senate Resolution 24-09 and has been seconded. Clerk, please call the roll.

CLERK called the roll with the following results:

Senator Celina R. Babauta	Absent – Excused
Senator Ronnie M. Calvo	Yes
Senator Manny Gregory T. Castro	<i>Hunggan</i> (Yes)
Senator Francisco Q. Cruz	Yes
Senator Jude U. Hofs Schneider	<i>Hunggan</i> (Yes)
Senator Corina L. Magofna	Yes
Senator Donald M. Manglona	Yes
Senator Paul A. Manglona	Yes

Senator Karl R. King-Nabors (President) Yes

CLERK: Mr. President, all eight (8) members present voting yes.

President Karl R. King-Nabors: With all eight members voting yes, Senate Resolution 24-09 is hereby adopted by the Senate. Short recess.

The Senate recessed at 2:08 p.m.

RECESS

The Senate reconvened at 2:26 p.m.

President Karl R. King-Nabors: As we all rise back to session, next item on the agenda is the Reading and Approval of the Journal. I recognize the Floor Leader.

READING AND APPROVAL OF THE JOURNAL

Floor Leader Donald M. Manglona: Thank you Mr. President. We have Senate Journal 24-10, 1st Day, Second Regular Session dated August 7, 2025. I move for its adoption.

Vice President Corina L. Magofna: Second.

The motion has been seconded.

President Karl R. King-Nabors: There's been a motion for the adoption of Senate Journal 24-10 and has been seconded. Discussion? Ready. All in favor say aye. All opposed?

All members voiced, "aye".

President Karl R. King-Nabors: The ayes have it. Senate Journal 24-10 is hereby adopted. I recognize the Floor Leader.

Floor Leader Donald M. Manglona: Thank you Mr. President. We have Senate Journal 24-11 2nd Day, Second Regular Session dated August 13, 2025. I move for its adoption.

Vice President Corina L. Magofna: Second.

The motion has been seconded.

President Karl R. King-Nabors: There's been a motion, made by the Floor Leader for the adoption of Senate Journal 24-11 and has been seconded. Discussion? Ready. All in favor say aye. All opposed?

All members voiced, "aye".

President Karl R. King-Nabors: The ayes have it. Senate Journal 24-11 is hereby adopted. On to Item D, Messages from the Governor. I recognize the Clerk.

MESSAGES FROM THE GOVERNOR

Senate Clerk: Mr. President, we have Governor's Message numbers 24-70 to 24-114.

President Karl R. King-Nabors: Discussion from the members? There being none, moving on to Item E, Communications from the Judiciary. I recognize the Clerk.

COMMUNICATIONS FROM THE JUDICIARY

Senate Clerk: Mr. President, we have one Judiciary Communication 24-04.

President Karl R. King-Nabors: Discussion? Ready? Communications from Heads of Executive Departments. I recognize the Clerk.

COMMUNICATIONS FROM THE HEADS OF EXECUTIVE DEPARTMENTS

Senate Clerk: Mr. President, we have one on the agenda, Department Message 24-12.

President Karl R. King-Nabors: Discussion? Ready? Moving on to Item G, Communications from the House. I recognize the Clerk.

COMMUNICATIONS FROM THE HOUSE

Senate Clerk: Mr. President, we have twenty-four on our agenda, 24-58 to 24-81.

President Karl R. King-Nabors: Discussion? Short recess.

The Senate recessed at 2:29 p.m.

RECESS

The Senate reconvened at 2:29 p.m.

President Karl R. King-Nabors: We now rise back and if there are no discussions from the members we will now move to Item H, Communications from the Senate. I recognize the Clerk.

COMMUNICATIONS FROM THE SENATE

Senate Clerk: Mr. President, we have twenty-two on our agenda 24-99 to 24-128.

President Karl R. King-Nabors: Discussion from the members. Ready? There are no communications from the CNMI Delegate on Item I.

COMMUNICATIONS FROM THE DELEGATE
NONE

President Karl R. King-Nabors: On to Item J, Unfinished Business. There are none.

UNFINISHED BUSINESS
NONE

President Karl R. King-Nabors: We have concluded Item K, Pre-filed Bills, Initiatives, Local Bills and Resolutions. We will now move on to Item L, Introduction of Bills, Initiatives, Local Bills and Resolutions. I recognize Senator Jude Hofsneider.

INTRODUCTION OF BILLS, INITIATIVES, LOCAL BILLS AND RESOLUTIONS

Senator Jude U. Hofsneider: Good afternoon and thank you Mr. President. I am formally introducing Senate Bill 24-44, "To establish a Driver's Education Program within the Public School System, in conjunction with the Traffic Division of the Department of Public Safety, and for other purposes."

President Karl R. King-Nabors: Thank you Senator Hofsneider. Any other members? There being none, at this point I would like to call a short recess.

The Senate recessed at 2:30 p.m.

RECESS

The Senate reconvened at 3:06 p.m.

President Karl R. King-Nabors: We now rise back to session. I apologize for the delay. We are on Item O, Resolution Calendar. And now I'd like to recognize the Floor Leader.

RESOLUTION CALENDAR

Floor Leader Donald M. Manglona: Thank you, Mr. President. We have Senate Resolution 24-10, "To disapprove the Marianas E-Land Corporations New Lease for the former Marianas Resort and Spa properties." I move for its adoption.

Senator Jude U. Hofsneider: Second.

The motion has been seconded.

President Karl R. King-Nabors: There's been a motion from the Floor Leader for the passage of Resolution 24-10 and has been seconded. The floor is open for discussion and with that I'd like to recognize the Vice President.

Vice President Corina L. Magofna: Thank you Mr. President. So, to members of the public, I would like to provide some clarify and timeline as to what has transpired during the deliberation of the lease agreement from E-Land. I would start off with when we received the proposed lease agreement and that was back in January of this year. DPL transmitted the proposed lease to the Senate on January 30, 2025 and subsequently submitted an updated packet on February 3, 2025. The lease packet included a final draft agreement approved between Marianas E-Land Corporation and DPL and a copy of Mariana E-Land's proposal the request for proposal instruction and packet and notice and copies of pertinent documents related to the evaluation and award notice from DPL. After that, the Senate President referred the lease agreement to the committee on RED&W, which is, Resource, Economic Development and Workforce for review and disposition on January 30th. Once the committee received the referral, we worked with our counterparts at the House, Natural Resources Committee. We held a joint committee meeting, a public hearing on March 21, 2025 at the House Chamber in Capitol Hill, to allow the public to provide comment on the lease agreement. Again, the Joint Committee held another joint meeting on March 25, 2025, to receive testimony from DPL, as well as E-Land to discuss the Mariana Resort and Spa property lease. The joint meeting was continued to April 8th and that is when we commissioned a letter to DPL requesting for updated financial documents from Mariana E-Land Incorporation on April 22nd. The packet submitted to the Legislature on January 30th and February 3rd included E-Land's financial information from year 2020 and prior years in response to DPL's request for the proposed in 2020. However, the joint committee requested for additional documentation of E-Land's financial statements; we requested for both audited and unaudited financial statements up through March 25 of 2025 to determine whether E-Land was financially suitable in the current year. After that, there was a joint committee public hearing at the Tanapag Youth Center on April 22, 2025 and also held another public hearing at the Gregorio T. Camacho school cafeteria on April 24, 2025 to allow the community members residing in the areas, close to the resort to provide comments on the lease. During those public hearings many of the community members who testified at the public hearings raised some concerns regarding, among other things, the vase amount of public lands, approximately 1.4 million square meters that will be locked into lease. The fact that Mariana E-Land already holds 3 public land leases with hotels, the proposal to relocate the Marpi baseball field to Tanapag, inadequate public benefits provided in the lease, and the possible missed opportunities for investors to lease public lands at Marpi to establish new industries in the CNMI. On June 12, 2025, DPL transmitted a letter responding to the joint committee's letter dated April 22nd. DPL attached a letter from Mariana E-Land, dated June 9, 2025, which stated the following: 1. That E-Land is a newly established entity, so audited financial statements were not available. 2. That the total investment in the CNMI to date is \$128 million for Kensington Hotel Saipan, Pacific Islands Club and Coral Ocean Resort. 3. Updated business gross forecast of 50% decreased during the initial 3-4 years of operation, with 20% adjustment thereafter and, 4. Inadequate copies of two of E-Land's certificate of deposit balance with Woori bank and NH bank. After reviewing the documents transmitted by DPL on June 12, 2025, it appears that Mariana E-Land failed to comply with the joint committee Chair's letter requesting for audited or unaudited financial statements. Mariana E-Land has been incorporated for several years, at least as of 2020, when they submitted its proposal for the Marianas Resort and Spa properties. Therefore, it should have at least a few years of unaudited financial statements available to provide DPL and the Legislature. The bank certificate of deposit only shows that E-Land has monies saved up in the bank, however the deposits fail to indicate E-Land's liabilities and expenditures which would demonstrate financial transparency, financial clarity and overall, financial wellness, supporting E-Land's financial

suitability. So, with all of that said, on behalf of the committee and myself, we believe that is in the CNMI and public's best interest that the Legislature proceeds with transparency and with confidence in the long-term viability in the Mariana E-Land Corporation lease. The joint committee's efforts intended to ensure that the appropriate documentation were provided to, and reviewed by the committee so it can make an informed decision based on verified financial information. This approach protects both the public interest and the integrity of the investment process. However, without any financial statements, the joint committee and the Senate cannot determine the true and accurate financial health of Mariana E-Land Corporation, or whether Marianas E-Land has the financial resources and capability to take over, improve, manage and operate the Marianas Resort and Spa properties. Without any evidence and confidence E-Land's financial suitability to operate the resort, the committee cannot, in good conscience, recommend to approve E-Land's new lease for the former Marianas Resort and Spa. Accordingly, it is the consensus and sentiment of the Senate committee to recommend that the Senate disapproves E-Land's new lease for the former Marianas Resort and Spa properties at this time. So, I just wanted to share with the community what has transpired and why we came to the decision to disapprove and basically, it's to protect the interest and integrity of the property and ensure that whoever is going to take the investment, that they are financially suitable moving forward. That would be the responsible thing to do for our people. So, that's all I have Mr. President. Thank you

President Karl R. King-Nabors: Thank you, Vice President. Any other members? For me, I would like to say thank you to both houses. I would also like to thank Vice President and the committee members for their due diligence and their time and efforts as they went around doing public, several public hearings, not only here located in the Legislature, but also within the community that is most affected by this proposal. And with that, I will ask the Clerk to please call the roll.

CLERK called the roll with the following results:

Senator Celina R. Babauta	Absent – Excused
Senator Ronnie M. Calvo	Yes
Senator Manny Gregory T. Castro	<i>Hunggan</i> (Yes)
Senator Francisco Q. Cruz	Yes
Senator Jude U. Hofsneider	<i>Hunggan</i> (Yes)
Senator Corina L. Magofna	Yes
Senator Donald M. Manglona	Yes
Senator Paul A. Manglona	Yes
Senator Karl R. King-Nabors (President)	Yes

CLERK: Mr. President, all eight (8) members present voting yes.

President Karl R. King-Nabors: With all eight members voting yes, Senate Resolution 24-10 is hereby adopted by the Senate. Moving on to the Bill Calendar. I would now like to recognize the Floor Leader.

BILL CALENDAR

Floor Leader Donald M. Manglona: Thank you, Mr. President. We have House Bill 24-45, "To re-appropriate Fifty Thousand Dollars (\$50,000.00) under Public Law 21-10, Section 2(G), for operational expenses of the Office of the Mayor of the Municipality of Rota." I move for its passage.

Senator Jude U. Hofsneider: Second.

The motion has been seconded.

President Karl R. King-Nabors: There is motion on the floor for the passage of House Bill 24-45 and has been seconded. The floor is open for the discussion. I recognize Chairman Manglona.

Senator Paul A. Manglona: Mr. President, I'd like to offer a floor amendment and maybe copies can be provided. Basically, the floor amendment is to take \$25,000 of that and make it available for the Rota patients subsistence allowance in the amount of \$50,000 and the Expenditure Authority for the funds under Section 2(B) of this Act shall be the Secretary of Finance. So that will be my motion. If we don't need to have written copies distributed, then I think the floor amendment is very simple, that the \$50,000 or the \$25,000 will be for the medical subsistence of the patients, and the remaining will be for the Mayor's Office for the purpose. So, moved.

President Karl R. King-Nabors: Thank you, Senator Manglona. Do I hear a second?

Floor Leader Donald M. Manglona: Second.

The motion has been seconded.

President Karl R. King-Nabors: There's been a motion for the passage for the amendment on House Bill 24-45 and has been seconded. Discussion. Ready?

Floor Leader Donald M. Manglona: Ready.

President Karl R. King-Nabors: Clerk, please call the roll.

CLERK called the roll with the following results:

Senator Celina R. Babauta	Absent – Excused
Senator Ronnie M. Calvo	Yes
Senator Manny Gregory T. Castro	<i>Hunggan</i> (Yes)
Senator Francisco Q. Cruz	Yes
Senator Jude U. Hofsneider	<i>Hunggan</i> (Yes)
Senator Corina L. Magofna	Yes
Senator Donald M. Manglona	Yes
Senator Paul A. Manglona	Yes
Senator Karl R. King-Nabors (President)	Yes

CLERK: Mr. President, all eight (8) members present voting yes.

President Karl R. King-Nabors: Yes. Okay, with all eight members voting “yes” the amendments are hereby adopted. Now, back to the main motion. Open for the discussion. If everybody's ready, we'll recognize the Clerk for the roll.

CLERK called the roll with the following results:

Senator Celina R. Babauta	Absent – Excused
Senator Ronnie M. Calvo	Yes
Senator Manny Gregory T. Castro	<i>Hunggan</i> (Yes)
Senator Francisco Q. Cruz	Yes
Senator Jude U. Hofsneider	<i>Hunggan</i> (Yes)
Senator Corina L. Magofna	Yes
Senator Donald M. Manglona	Yes
Senator Paul A. Manglona	Yes
Senator Karl R. King-Nabors (President)	Yes

CLERK: Mr. President, all eight (8) members present voting yes.

President Karl R. King-Nabors: Okay. With all eight members voting yes, House Bill 24-45 is hereby pass in the form of Senate Draft 1. Recognize the Floor Leader.

Floor Leader Donald M. Manglona: Mr. President. We have House Bill 24-50, HS1, “To authorize a loan between the Commonwealth Government and the Marianas Public Land Trust in the amount of \$29,000,000.00, and authorize the Marianas Public Land Trust to withhold and retain a net annual distributable income starting Fiscal Year 2026 for repayment and security of the loan.” I move for its passage.

President Karl R. King-Nabors: Short recess.

The Senate recessed at 3:21 p.m.

RECESS

The Senate reconvened at 3:24 p.m.

President Karl R. King-Nabors: We now rise back and I recognize the Floor Leader.

Floor Leader Donald M. Manglona: Thank you, Mr. President. At this time, I move to resolve into Committee of the Whole.

Senator Jude U. Hofsneider: Second.

The motion has been seconded.

President Karl R. King-Nabors: Okay. There's a motion to dissolve in the Committee of the Whole and has been seconded. Any discussion? Ready? Clerk, please call the roll.

CLERK called the roll with the following results:

Senator Celina R. Babauta	Absent – Excused
Senator Ronnie M. Calvo	Yes
Senator Manny Gregory T. Castro	<i>Hunggan</i> (Yes)
Senator Francisco Q. Cruz	Yes
Senator Jude U. Hofsneider	<i>Hunggan</i> (Yes)
Senator Corina L. Magofna	Yes
Senator Donald M. Manglona	Yes
Senator Paul A. Manglona	Yes
Senator Karl R. King-Nabors (President)	Yes

CLERK: Mr. President, all eight (8) members present voting yes.

President Karl R. King-Nabors: With all eight members voting yes, we are now dissolving into Committee of the Whole.

The Senate dissolved into Committee of the Whole at 3:24 p.m.

COMMITTEE OF THE WHOLE

The Senate reconvened at 3:46 p.m.

President Karl R. King-Nabors: We now rise back to the session. Before us was a motion for the passage of House Bill 24-50, HS1. There was a request to dissolve into the Committee as a Whole, and I want to thank, Fiscal Analyst Dave Demapan for providing us some guidance on what we are now about to vote on. The discussion is still open.

Senator Jude U. Hofsneider: Mr. President, just point of clarification. Did we make that proper motion for disposal of such bill already, or we're under discussion? Can I just be recognized?

President Karl R. King-Nabors: Yes, sir. Recognized Senator Hofsneider.

Senator Jude U. Hofsneider: Again, thank you Dave, for articulating some of the information that we, the members are asking. And, it helps with our, with our decision. But because there seems, to be an urgency of such legislation, we didn't get a chance to submit this to committee, but I do want to reflect on the committee report from the House which was dated on August 19th, 2025. And on page 3 on the top in the public comments, there was a portion there, and that was read out, a letter by the late Governor to then President Mendiola and Speaker Villagomez, that in reference to the inquiry, whether or not the submittal of the budget proposal from April 1, 2025 would there be any changes? So obviously everybody knows that there was no changes, but I do want to read out that, and I quoted "*That in addition, my administration through CDA is actively*

engaged in discussion with MPLT to secure a 29 million pension obligation interim bond as authorized by 18-12 as amended 18-44, 18-45. So, these funds are critical to meeting the minimum annual payment obligation to the NMI Settlement Fund Retirees for FY 2026." Now, with respect to this statement Mr. President, and the last few months of the economic trend and all the news that we see from flights cancellation to legacy business shuttering doors, to lethargic hotel occupancy rate, all those are indicative of a backward trend of economic activity. So, it's interesting that although this presentation back then was made that there's no difference that I want to believe what's been happening in the last few months versus what is being projected. And then it was double down by asking us to engage into another. This is not new revenue, may I say. This is a debt on top of what we already have. So be that as it may, we're here today and this is why we're elected, to make these difficult decisions and figure out a way to rescue and sustain government services, by way of this particular proposal and that the work doesn't stop. I urge our colleagues from the house that we really need to come out with legislations that can advance our economic recovery. Because, it's important to navigate forward as this is not going to be an almost a bi-annual or every other two years where we have to credit our way out of debt and stuff. And I think it's only fair to the younger generation and to the public that we're trying to live within our means. I know it's a tall task and it's tough, but that's why we are here and I yield back. Mr. President.

President Karl R. King-Nabors: Thank you. Senator Hofsneider. The floor is still open to any members? Recognize the Vice President.

Vice President Corina L. Magofna: Thank you, Pres. Again, I just want to share my sentiments with the public who are listening in. It's not that we don't support, or I, let me speak for myself. It's not that I don't support the \$29 million loan because it is for our retirees, but we also, I would also like to let the public know to keep in mind that, by us approving this loan, we are exhausting the only financial resource we have left here in the CNMI and should something come up, and I hope we don't, should a natural disaster occur or just something of great importance happens and we exhaust the only resource we have right now to its fullest, right, that really leaves us in a really bad situation. And I would hope that we take proactive measures to ensure that we have something in place, should something come up rather than be reactive and try to figure something out when something happens. So, I just would like to share that with the public that, we are very much in support of making sure that we pay our retirees, but also taking into account that, we are also taking a lot of risk here by exhausting fully what we have left for us in case something happens. As the old saying goes, by our elders, to always leave something for rainy days and in this case, we are fully exhausting whatever resource we have. So just keep that in mind. I'm not being a pessimist, I'm just being realistic about the situation that we are in. But we truly understand where we stand and right now our backs are against the wall. So, I just wanted to share that. Mr. President, thank you.

President Karl R. King Nabors: Thank you Vice President. I recognize the Floor Leader.

Floor Leader Donald M. Manglona: Thank you, President. In light of what the Vice President had brought up and also just considering all the requests that we've been receiving, I think the alternative to not getting this loan would be an austerity and not just for PSS. I think the one thing that wasn't clear in the house version of the budget was the need to further cut personnel if we weren't going to authorize this loan. Considering what's not budgeted is the GHLI payment on the

government side, and if we had to address that, then there will be further cuts to personnel. And right now, there's just not enough time to warn our people and also have them prepare for anything as drastic as a reduction in hours, across the board, across all branches and all agencies. Prior to the discussion of this loan, whether it be the full amount or even a portion of it, there was a tough question that I asked the committee is, and that was to consider, I think it was an 8 to 16-hour reduction across the board, while we figure out the situation on how we're going to proceed with the loan or whether there are other resources that are going to come in. But the one thing that I do want to also make clear, and after having gone through the hearing with PSS, I think that we need to look at how PSS is spending their money. Despite having this constitutional allotment of 25% to PSS, as you've seen in the current fiscal year we've earmarked \$300,000 for something as simple as inter island travel for our students, but further also looking at how PSS spends their funds and the possibility of earmarking additional funds to ensure that programs are intact or the teachers are equipped with the resources they need to be able to care for students. So that is some of the stuff that I hope that, with the blessing of the Senate President as well as the committee chair, that we also further look into how these monies are spent, because PSS had time to prepare for this fiscal cliff, but we're here at the last minute where they're coming up with all these drastic changes that is causing concern and chaos in the community in terms of students having to stay home every Monday, and teachers also being put in austerity. So that is something that we can further look at when we deliberate on the actual budget bill, which is hopefully, the Senate is set to act on it on Thursday. However, I think with this MPLT loan this, gives us time to address what the possibility may be come fiscal year 27, even if our economic resources have not improved or we don't get additional funding source elsewhere, there's a possibility of an austerity come fiscal year 27 and so, this buys us a little time. But I think it's necessary right now to ensure that employees are kept at a full-time status until such time additional resources can be identified. And so, I just wanted to share my thoughts on that because in the beginning, again, I wasn't too keen on approving the full \$29 million, but it's something that, with the discussion with the members and the administration, I think this is one way that we can address a lot of the concerns that were brought up from the different hearings that were held on all three islands. And so, with that Mr. President, I yield.

President Karl R. King-Nabors: Thank you Floor Leader. I recognize Senator Castro.

Senator Manny G.T. Castro: If all the economic indicators and what's available in our books is leading towards austerity measures, I just wanted to make this request on the record, that if we were to do austerity hours that it aligned with the school hours so that parents wouldn't have extra expenses because if their salaries are already going to be reduced, at least if the austerity hours are between like 2:30 and 4:30, they don't have to hire babysitters or at least ways where we can minimize the effects of what we're force to do in essence, due to the economic uncertainty. Thank you, Pres.

President Karl R. King-Nabors: Thank you, Senator Castro. Any other members? Recognize Senator Manglona.

Senator Paul A. Manglona: *Bai hu chagi muna' kadada Mr. President. Para eyi i ritirao ni man ekungok. Bonitu i question si David Demapan. Hu faisen, nu hafa i status ni eyi i Public Law 18-12 ni ma aturisa i CDA pot ayu i tres sientos miyon anai sina ta apasi i liability i retirement fund muchumas para i 75% ni este na manmadidibi i ritirao siha. Gi pago este na aksion ni ta supotta*

sa man chinichigit sa ti keke ta balansa este na fiscal year lao gi magahet, checho i CEDA ennao hu fan matachong yan i Department of Finance yo ma ayao esti koseki. Munga na kada sakkan ta fan ayao nei. Pues, debidi fan ayao ni esti yan sina puedi manayao esti mismu benti nuebi miyon yan eyi tetenan balansa ya u ma paketi koseki gi kada sakkan ti hufan susustu i man ritirao. Pues ha agagagao i kinenprendi-niha ya famachachu gi i CEDA, i Department of Finance, fan ayao tres sientos miyon sa esti na obligasion ma disidi ni district court na debi umapasi man ritirao 75% ni ti mahalom gi enao i obligasion-ta na ta kometi et pata pasi 25% i man ritirao. Pues taya ta sapopota esti pago sa koseki balansa yao hu guaha didide salapi ni para ayuda i Public School System lao esta ma hungok ha i PSS ni i sentimentun esti na guma na guaha didide deskuidu gi halacha siha ti man dinanche ma man patika i apa si mamaestro siha yan i administradot yan enigi na mankuentos pago i membros sa anai bumula salapi ti ma usan maolek enague' i sentimentu guini ya lao gi pago ti sina ta sakrifisia I estudiante-ta nu manai fan susutu na momento pues ti esti ha lokkue nu gi esti benti nuebi miyon annok na mana guagua lokkue nu salapi para eyi i government health life insurance ma na'i didide i PSS, yan hafa esti ti ma makubri gi budget na ta na keke balansa. Enao ha'. Si yu'us ma'ase Mr. President.

President Karl R. King-Nabors: Thank you, Senator Manglona. That being said I would like to make some brief remarks, if I may. Obviously through the information that was provided to us by our Fiscal Analyst, is very clear that this is the last parachute that we have as the Vice President had made clear and as it related to the analysis provided by our Fiscal Analyst. Now, this decision is not taken lightly. I agree with the Floor Leader, I was very adamant, open to the discussion, but adamant for the full amount. But it's also very murky how we're going to be able to adequately fund not only PSS. Senator Manglona, spoke about the retirees, DCCA, the Manamko' programs, the grants that are being cited for using money to supplant their services as opposed to a supplemental usage of these grant monies. So, again I don't envy the decisions where we're having to make as leaders, but this is what we signed up to do and we don't have the luxury of looking at one individual agency. We are the Senate. We are the half of the two houses of the Legislature and our mandate, our charter, is to ensure again, that we maximize and look after the entirety of the CNMI and its people. So, with that I will ask the Clerk to kindly please call the roll.

CLERK called the roll with the following results:

Senator Celina R. Babauta	Absent – Excused
Senator Ronnie M. Calvo	Yes
Senator Manny Gregory T. Castro	<i>Hunggan</i> (Yes)
Senator Francisco Q. Cruz	Yes
Senator Jude U. Hofsneider	<i>Hunggan</i> (Yes)
Senator Corina L. Magofna	Yes
Senator Donald M. Manglona	Yes
Senator Paul A. Manglona	Yes
Senator Karl R. King-Nabors (President)	Yes

CLERK: Mr. President, all eight (8) members present voting yes.

President Karl R. King-Nabors: With all eight members voting yes, House Bill 24-50, HS1 hereby passes the Senate. My apologies, short recess please.

The Senate recessed at 4:04 p.m.

RECESS

The Senate reconvened at 4:10 p.m.

President Karl R. King-Nabors: We rise back to session. On to Item Q, Petitions, Memorials and Miscellaneous Communications.

PETITIONS, MEMORIALS AND MISCELLANEOUS COMMUNICATIONS
NONE

President Karl R. King-Nabors: Any members? Being none, we'll move on to Item R, Announcements. Recognize Senator Hofsneider,

ANNOUNCEMENTS

Senator Jude U. Hofsneider: Immediately following the session, we were supposed to resume at 3:30 p.m., but because this session took longer than anticipated I just want to remind the members that we still have a FaceTime with DOF, which they are outside waiting and OGM.

President Karl R. King-Nabors: Understood. Thank you, Senator Hofsneider. Any other members? Being none. I do have one announcement. It's very clear that we've exhausted all of our resources. During the hearings with PSS, there were many revelations and gaps identified, and I think that it would only be prudent and proper that we look into what it is that is going on with either the lack of communication or misunderstandings as to PSS and some of their views as to how they've conducted their cost cutting measures over the past two years, or lack thereof and as such, I will be asking Chairman of the Committee on Education and Youth Affairs, through a memorandum, after this hearing to endeavor to go ahead and effectuate that the assistance to look into PSS and find out what gaps are actually going on and what we need to do between now and next year to close that gap because it's very clear that this is not possible anymore. So, with that, if there's no other announcements, I recognize a Floor Leader.

Floor Leader Donald M. Manglona: Thank you, Mr. President. At this time, I move to adjourn today's session, subject to the call of the Chair.

President Karl R. King-Nabors: Do I hear a second?

Vice President Corina L. Magofna: Second.

The motion has been seconded.

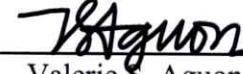
President Karl R. King-Nabors: There has been a motion to adjourn today's session subject to the call of the Chair and has been seconded. All in favor say aye. All opposed say nay.

All members voiced, "aye".

Ayes have it. This session stand adjourn at 4:12 p.m. Thank you and good afternoon everyone.

The Senate session adjourned at 4:12 p.m.

Respectfully Submitted,



Valerie S. Aguon
Senate Journal Clerk