

ROTA **LEGISLATIVE DELEGATION**
THIRTEENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

ROTA LOCAL LAW NO, 13-4

THIRD SPECIAL SESSION, 2002

SENATE LOCAL BILL NO. 13-2, D3

A LOCAL BILL FOR **AN ACT** FOR THE **FIRST** SENATORIAL DISTRICT

To establish a Rota Municipal Scholarship Foundation; and for other purposes.

BE IT ENACTED BY THE ROTA LEGISLATIVE DELEGATION PURSUANT TO CHAPTER 4 OF DIVISION 1 OF TITLE I OF THE COMMONWEALTH CODE:

Section 1. Short Title. This local act may be cited as the “Rota Municipal Scholarship Foundation Act of 2002.”

Section 2. Findings. Rota Legislative Delegation finds that there is a great need to provide Rota’s people with scholarship grants and educational loans, Such loans and grants will secure an educated and productive workforce to serve Rota’s **future** economic needs and, at the same time, help indigenous peoples reach their **full** potential.

As a service to our **people**, the Municipality of Rota desires to provide, in addition to scholarships provided by the Postsecondary Education Scholarship Act of 1990 (as amended) municipal scholarship grants and educational loans, but has lacked financial resources to do so, Therefore, the Delegation **finds** that the establishment of a revolving fund into which public and private **funds** may be deposited is not only necessary but prudent. Public funds anticipated range from appropriations **from** the general fund to loans and grants **from Marianas** Public Land Trust (**MPLT**) pursuant to Article **XI, §6(b)** of the Commonwealth Constitution as a prudent investment in the future of our people and **community**.

Inspired to explore direct investment opportunities in the local community, the Delegation believes that **MPLT will** likewise determine that it not only serves a worthy social purpose but is **also** prudent to invest in the minds and talents of deserving Rota students and adults by assisting in every possible manner to fund a municipal scholarship grant and educational loan program for the people of Rota. For the foregoing reasons, the purpose of this local act to establish a Rota Municipal Scholarship Foundation to provide scholarship,

grant and **educational** loan assistance that, to the extent possible **shall** be revoking and **self**-perpetuating.

Section 3. **Scholarship Board: Establishment.**

(a) There is hereby **established** a Rota Municipal Scholarship Foundation Board to be composed of five members who **shall** serve for a term of four years and are eligible for reappointment to the board, but for **only** a maximum of two terms.

(b) Members must be 18 years or older and residents of Rota for at **least** three years prior to appointment.

(c) **The** members of the Board **shall** be appointed by the Mayor of Rota so **as** to reflect **all** segments of the Rota community. At least two members **shall** be female. **All** appointments to the Board are subject to the advice and consent of the majority of the Rota Legislative Delegation.

(d) Board members **shall** serve at the pleasure of the Mayor and may be removed by the Mayor **only** for good cause.

(e) Board members **shall** be compensated in accordance with 1 CMC §8247 (attendance, travel and per diem, extraordinary expenses as **presently** constituted or hereafter amended).

Section 4. **Persons Ineligible for the Board.** No person who holds an elective office in any branch of the **Commonwealth** or municipal government **shall** be eligible to serve as a voting member of the Rota Municipal Scholarship Foundation Board.

Section 5. **Powers and Duties of the Board.** The Rota Municipal **Scholarship** Foundation Board **shall**:

(a) Advertise the **availability** of scholarship and education loan assistance;

(b) Establish priorities for field of study (**including** but not limited to higher education, professional **schools**, and vocational specialties);

(c) Receive, review, approve or reject **applications** for scholarship grants and educational loans submitted to the Rota Municipal Scholarship Foundation Board; provided that the Board **shall** state the reason for rejecting an application;

(d) Establish criteria for eligibility for scholarship assistance, which **shall** include, but not be limited to:

- (1) The financial status of the applicant;
- (2) The length of residency within the **First** Senatorial District; and
- (3) The financial capability of the family of the applicant.

(f) Have the authority to raise funds for the Foundation through activities not prohibited by law;

(g) Have the authority to receive money, loans, donations, appropriations, and contributions **from** the **Marianas Public** Land Trust and **from** any and **all** other sources, **public** or private, to the end that there be monies **for** scholarship grants, educational loans, and the operational needs of the Board.

(h) Execute **loan** agreements with the MPLT or any other financial institution setting forth the terms and conditions of the loan of funds to the Foundation; provided, however, that loan **funds** drawn down by the Foundation pursuant to such agreements may be used **directly** for student grants or loans or placed by the Foundation in interest bearing accounts or investment portfolios with commercial banks or commercial investment institutions. The banks and commercial investment institutions may leverage any **funds** so deposited to provide the largest possible portfolio for the Foundation.

(i) Subject to the availability of **funds** and approved by the Rota Legislative Delegation, establish a necessary office, and hire an executive director for the Rota Municipal **Scholarship** Foundation and hire or retain such other employees or professionals as may be needed from time-to-time, by the Foundation;

(j) Make the *final* decision as to who should receive grants and loans;

(k) Promulgate necessary rules and regulation to carry out the purposes of this act; and

(l) On or before December 1st of every year, issue an annual report to the Mayor of Rota, the Rota Legislative Delegation, and the Rota Municipal Council, which shall include, but not be limited to, the Board's policies, financial status, progress reports on each student receiving assistance **from** the Board, listing of students by school year and other information which the Board, the Council, the Mayor or the Delegation may deem appropriate. Such reports shall be made

available to the general public, except for the progress reports on students that **shall** be confidential.

Section 6. **Scholarship and Education Loan Fund- Exoenditure Authority.** There is hereby established a “scholarship and education loan **fund**” into which **all** monies appropriated, raised, borrowed, donated or accruing to the benefit of the Rota Municipal Scholarship Foundation shall be deposited. The Secretary of Finance is authorized and **directed** to establish a separate account into which all scholarship and education loan funds **shall** be deposited. The fund account **shall** be kept in Rota, not **commingled** with other public funds, and administered by the Rota Resident Director of Finance. The Rota Resident Director of Finance shall **allow** for payments, such as to **scholarship** recipients, or transfers, such as for investments, to be made from the “Fund” as directed by the Board.

Section 7. **Investment.**

(a) The reserves of the scholarship fund in excess of requirements of current scholarship grants, loans, or current operations may be invested and reinvested by the Board in “investment securities” as defined under 4 CMC §10403(d)(1) through (7).

(b) With the agreement of the **Marianas** Public Land Trust, the Board may **also** earn interest or income on any monies obligated to the Rota Municipal Scholarship Foundation, but held in investments and not yet transferred to the Foundation by **MPLT**.

(c) No member of the Board and no **employee** of the Board shall have direct **or** indirect interest in the income, gains or profits on any investment made by the Board. No such person may receive compensation for services or information rendered in connection with any investments made by the Board.

Section 8. **Training for Government Workers.** The Board is authorized to use scholarship or grant monies **from** the Fund to provide job **skills** training and career **development** for Commonwealth and Rota Municipal Government workers, whose primary duty station is on Rota; provided that the cumulative amount expended for training and development does not exceed 30 percent of total amount of scholarship, grants or loan assistance available **for** disbursement in any government fiscal year. Training and development activities may **take** place **within** or without the geographical boundaries of the

Commonwealth. Provided, that **approval** of expenditure for government workers' training is vested with the Rota Legislative Delegation.

Section 9. **Municipal Assistance.** The Office of the Mayor of Rota shah, upon request and subject to the limits of availability, provide the Board with such administrative, personnel, and logistic support as the Board may require.

Section 10. **Eligibility for Scholarships. Grants or Educational Loans - Rota Residents.**

(a) No person other than a person whose domicile is the **Municipality** of Rota **shall** be eligible for or receive assistance **from** the Rota Municipal **Scholarship** Foundation.

(b) Domicile means that place in which a person's habitation is fixed, and to which, whenever the person is absent, the person has the present intention to return; however, a person who is temporarily away **from** the Municipality of Rota for reasons of business, education, government representation, military service, medical reasons including medical referral, natural disaster or environmental conditions, or employment by the Commonwealth shall be considered a domiciliary of the First Senatorial District if during that period, he maintains a residence in the First Senatorial District to which he has a present intention of returning.

(c) A parent, step-parent, or **legal** guardian of a minor child is eligible to apply on behalf of the minor child to the Rota Municipal Scholarship Foundation for **financial** assistance that is being offered to adult individuals and to persons attending **postsecondary** educational institutions.

Section 11. **Conditions of Award.**

(a) No scholarships, grants, or loans shall be awarded by the Board unless and until the Board has submitted its annual report set forth in Section **4(I)** of this act.

(b) The Board may authorize, at its discretion and sole determination, the use of scholarships, grants, or education loans or a portion thereof to pay for textbooks and related materials, tuition, **reasonable** fixed stipend, room and board, other **school** fees, and costs of transportation, **for** a period to be established by the Board.

(b) The parent(s), legal **guardian**, or spouse of a student applicant for an

educational loan may be required to co-sign or become a **surety** for the repayment of the loan as a condition **of** the approval of the loan.

Section 12. Penalties.

(a) Upon prosecution by the Office of the **Attorney General**, any person who is found **guilty of**:

(1) **Knowingly** misapplies any monies or funds belonging to the Regional Municipal Scholarship Foundation; or

(2) Agrees to or is instrumental **in** the award of **funds** to an individual **on any** basis other than as merit and need as determined by the Board in accordance with this act or regulations issued hereunder; or

(3) **Willfully** makes any false **entry** in the books of the Board;

(4) **Willfully** makes a **material** misrepresentation on an application to the Board for financial assistance; or

(5) Violates any provisions of **this** Act, regulations, or any term or condition pertaining to **an** award of financial assistance award, **shall be barred from** employment or reemployment within **the** First Senatorial District for a period of not **less** than five **years from** the date of the conviction-

(b) The **penalty** provided in this Section is in addition to any penalties that may be **incurred** for a violation of the Commonwealth Code.

(c) In addition to the penalties provided by subsections (a) and **(b)** of this **Section**, any person who is found **guilty** of violating any of the provisions of subsection (a) of **this** Section shall be civilly liable for the repayment of any **funds** misapplied or expended or encumbered without authority of the Board, and for the repayment of **all** assistance granted to a recipient, together with interest thereon at a rate of five percent **from** the date thereof. The Board may maintain any appropriate legal action in its own name for the recovery of such **funds**.

Section 13. Rules and Regulations. The Board is authorized to promulgate rules and regulations, not **inconsistent** with this act, deemed necessary to execute the provisions and intent of this act.

Section 14. ~~If any~~ ability provision of this Act or the **application** of **any** such provision to any person or circumstance **should** be **held** invalid by a court of competent jurisdiction, the remainder of this Act or the application of its provisions to persons or circumstances other than those to which it is **held** invalid **shall** not be **affected** thereby.

Section 15. Savings Clause. This Act and any repealer contained herein **shall** not be construed as **affecting** any existing right acquired under contract or acquired under statutes repealed or under any rule, regulation or order adopted under the statutes. **Repealers** contained in **this** Act **shall** not **affect** any proceeding instituted under or pursuant to prior **law**. The enactment of this Act **shall** not have the effect of terminating, or in any way **modifying**, any **liability, civil or criminal**, which **shall** already be in existence at the date this Act becomes effective.

Section 16. Effective Date. **This** Act **shall** take effect upon its approval by the Governor or upon its becoming Law without such approval.

CERTIFIED BY:

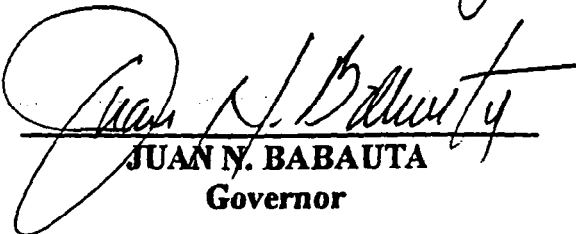


RICARDO S. ATARIG
Chairman



PAUL A. MANGLONA
Delegation Secretary

Approved this 15th day of August, 2002.



JUAN N. BABAUTA
Governor