

AN ACT

To make appropriations for the operations and activities of the Government of the Commonwealth of the Northern Mariana Islands, its agencies, instrumentalities, and independent programs, and to provide budget authority for Government Corporations for Fiscal Year 1999; and for other purposes.

**BE IT ENACTED BY THE ELEVENTH NORTHERN MARIANAS COMMONWEALTH
LEGISLATURE:**

Section 101. Short Title. This Act may be cited as the "Appropriations and Budget Authority Act of 1999."

Section 102. Purpose. This Act appropriates local funds for the operations and activities of the Government of the Northern Mariana Islands, its agencies, instrumentalities, independent agencies and political subdivisions, and provides authority for government corporations for Fiscal Year 1999 commencing October 1, 1998 and ending September 30, 1999.

Section 103. Definitions. As used in this Act:

- (a) Government of the Commonwealth of the Northern Mariana Islands includes:
 - (1) Legislative Branch, which includes the following:
 - (A) Senate
 - (B) House of Representatives
 - (C) Legislative Bureau
 - (2) Judiciary Branch, which includes the following:
 - (A) Supreme Court
 - (B) Superior Court
 - (1) Family Court
 - (c) Law Revision Commission

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

- (B) Office of the Municipal Council
 - (C) Resident Department of Community and Cultural Affairs
 - (D) Resident Department of Public Works
 - (E) Resident Department of Finance
 - (F) Resident Department of Public Health Services
 - (G) Resident Department of Lands and Natural Resources
 - (H) Resident Department of Public Safety
 - (I) Resident Department of Commerce
 - (J) Resident Department of Labor and Immigration
 - (K) Office of Personnel
- (7) Third Senatorial District (Senatorial District of Saipan and the Northern Islands) which includes the following governmental offices:
- (A) Mayor of Saipan
 - (B) Mayor of the Northern Islands
 - (C) Saipan Municipal Council
- (8) All government corporations, as defined in 1 CMC § 7103(n), for which budget authority is herein provided including the following:
- (A) Commonwealth Utilities Corporation
 - (B) Mariana Islands Housing Corporation
 - (C) Commonwealth Ports Authority
 - (D) Commonwealth Development Authority
 - (E) Northern Marianas Retirement Fund
 - (F) Marianas Public Land Trust
 - (G) Public Auditor's Office
- (9) All other public and quasi-public entities, boards or commissions incorporated or established pursuant to the Commonwealth Constitution or Commonwealth law and including the following agencies and instrumentalities;
- (A) Public School System
 - (B) Alcoholic Beverage Control Board
 - (C) Board of Elections
 - (D) Board of Parole
 - (E) Board of Professional Licensing

- (F) Chamorro and Carolinian Language Commission
- (G) Civil Service Commission
- (H) Northern Marianas College
- (I) Worker's Compensation Commission

(b) "Independent programs" means government programs under separate boards established by law (unless receiving appropriations or budget authority under another heading), specialized general items of appropriations, and those non-profit corporations and associations or organizations established outside of the Government of the Commonwealth of the Northern Mariana Islands to which the Commonwealth Government provides financial assistance such as the:

- (1) Agricultural Fair
- (2) American Red Cross, CNMI Chapter
- (3) APIL
- (4) Government Utilities
- (5) Special Annuity for Gov./ Lt. Gov.
- (6) Covenant Section 902 Consultation
- (7) Deficit Reduction
- (8) Developmental Disabilities Planning Agency
- (9) Joeten/Kiyu Public Library
- (10) Marianas Bound (Karidat)
- (11) Micronesian Legal Services Corporation
- (12) NCSL
- (13) National Governors Association
- (14) NMI OICC
- (15) NM Protection & Advocacy Program
- (16) Pacific Basin Development Council
- (17) East West Center
- (18) Public Assistance Program Matching Fund
- (19) South Pacific Commission
- (20) CNMI Youth Congress
- (21) Retirement PL 11-25 (Poker)
- (22) Tax Task Force

- (23) Retirement (PL 8-31)
- (24) CNMI Boy Scouts
- (25) CNMI Girl Scouts
- (26) Little League Baseball - Saipan
- (27) Little League Baseball - Rota
- (28) Little League Baseball - Tinian
- (29) Claims against Judgments
- (30) Flame Tree Arts Festival
- (31) Junior Statesmen Foundation
- (32) Street Naming Commission
- (33) Ayuda Network
- (34) Custom's/User Fee
- (35) Pacific Islands Development Bank
- (36) Nursing Conference
- (37) Commonwealth Museum
- (38) Manhoben Center
- (39) Domestic Violence
- (40) Humanities Council
- (41) APPU
- (42) Cops Universal Hiring Program
- (43) Neighborhood Watch Program
- (44) CSG
- (45) EEZ

(c) "Local funds" means locally generated revenues and revenues received pursuant to Section 702(a) of the Covenant.

(d) "Operations" means appropriations for all lawful activities other than personnel.

(e) "Personnel" means appropriations for the salaries, employer's contribution to the Northern Marianas Retirement Fund, overtime, night differential, hazardous pay and other employee wages and benefits.

(f) "Position" or "Full Time Equivalent" (FTE) means the maximum number of persons that may be employed, pursuant to Article X, Section 7 of the Commonwealth

Constitution but does not include Job Training Partnership Act (JTPA) trainees, substitute teachers, summer trainees, teacher aides, physicians, licensed professional nurses and licensed allied health providers working part-time and paid only for instructional time, student teacher trainees, or short-term specialized instructors, such as visiting artists, performers, writers, and the like. For purposes of this exception, "part-time" means employment not exceeding 40 hours in any biweekly pay period, and "short-term" means not more than 90 instructional days employment within the Public School System during the fiscal year.

CHAPTER II. ESTIMATED REVENUES

Section 201. Estimated Revenues.

a) Local Funds:

1) Internal Revenue	\$ 235,827,100
2) Covenant Funds (Operations)	-0-
3) Non-Resident Workers Fee Fund (Public Law 10-66)	\$ 6,688,900
4) Division of Public Lands	\$ 6,752,100

b) Total Local Revenue and Resources available for Fiscal Year 1999 (per Governor's Communication (House) No. 11-210, dated July 30, 1998	<u>\$ 249,268,100</u>
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CHAPTER III. APPROPRIATIONS

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

CHAPTER IV. - BUDGET ADOPTION

Section 401. Government Corporations. Pursuant to 1 CMC § 7206, budget authority for the following activities is hereby approved. Expenditures in excess of the budget authority

approved herein for agencies to which public funds are appropriated shall not be incurred or committed, and FTE ceilings approved shall not be exceeded without specific approval of the Legislature by joint resolution in accordance with Article X, Section 7 of the Commonwealth Constitution.

	<u>ACTIVITIES</u>	<u>FTE</u>	<u>PERSONNEL</u>	<u>OPERATIONS</u>	<u>TOTAL</u>
1.	CUC	365	15,254,725	51,654,968	66,909,693
2.	CPA	293	9,470,592	3,218,263	12,688,855
3.	CDA	15	1,029,390	923,200	1,952,590
4.	NMRF	28	1,127,200	31,950,300	33,077,500
5.	NM Housing Corp. (MIHA)	18	952,650	1,571,774	2,524,424
6.	OPA	39	1,679,300	632,000	2,311,300
Grand Total:		758	29,513,857	89,950,505	119,464,362

CHAPTER V. ADMINISTRATION OF APPROPRIATED FUNDS

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

(a) Quarterly Allotments in Excess of Twenty-Five Percent (25%). The following governmental officials may approve a quarterly allotment in excess of the twenty-five percent (25%) of the total approved operation budget, and the Office of Management and Budget shall authorize the allotment to the expenditure authority consistent with the nature and need of the activity:

- (1) The Speaker of the House in the case of the House of Representatives;
- (2) The President of the Senate in the case of the Senate;
- (3) The Director of the Legislative Bureau, with the concurrence of the Speaker of the House of Representatives and the President of the Senate, in the case of the Legislative Bureau;
- (4) The Chief Justice of the Supreme Court in the case of the Supreme Court;

- (5) The Presiding Judge of the Superior Court in the case of Superior Court.
- (6) The Governor in the case of the Executive Branch;
- (7) The Resident Representative in the case of the Office of the Resident Representative to the United States;
- (8) The President of the College, with the written approval of the Chairman of the Board of Regents, in the case of the Northern Marianas College;
- (9) The Commissioner of Education, with the written approval of the Chairman of the Board of Education, in the case of the Public School System.

In the event allotments greater than 25% are approved, allotments in subsequent quarters shall be reduced below 25% to the extent necessary so that total allotments do not exceed 100%.

(b) Nothing in this section shall be construed as modifying, limiting, or otherwise affecting the authority of the Governor pursuant to Chapter 6 of Division 7 of Title 1 of the Commonwealth Code.

Section 502. Appropriation Worksheets.

(a) Unless otherwise provided in this Act, the funds appropriated pursuant to Section 301 hereof shall be expended in compliance with the appropriation worksheets attached hereto and incorporated by reference herein, and in accordance with the fiscal authority the listed agencies have pursuant to statute and the administrative provisions of this Act. In case of any conflict between the attached worksheets, and the administrative provisions of this Act, the administrative provisions shall prevail.

(b) The budget worksheets contained in the Governor's budget submission to the Legislature have no force or effect as law. The Special Assistant for Management and Budget and the Office of Management and Budget, and the Director of Personnel and the Office of Personnel Management, are without authority to grant, withhold, or condition any approval or allotment based on those worksheets or any other source other than this Act and other applicable law. All personnel actions, including but not limited to new hires, transfers, promotions, and pay increases, shall be made in compliance with the Civil Service Act and regulations and other applicable law

concerning public employment and personnel management for the Commonwealth Government.

Section 503. Custom's/User's Fee: Computer Upgrade. Notwithstanding any other provision of law, the \$600,000 that is appropriated by this Act for operations of Custom's/User Fee, is appropriated for the sole purpose of the customs services operations, through, but not limited to the recruitment of additional personnel, payment of overtime, training of personnel, purchase of additional office equipment such as typewriters and computers, and other law enforcement needs.

(a) Renal Transplant Funds. Notwithstanding any other provision of law, \$500,000 of the \$4,296,500 appropriated to the Department of Public Health under Medical Referral expenditure class code 62060 shall be used exclusively for the purposes of renal transplants and shall be available without fiscal year limitation until exhausted.

(b) Notwithstanding any other provision of law, funds appropriated for the purpose of medical referral under this Act shall include reimbursement for emergency medical expenses incurred at an off-island facility by otherwise eligible patients who are residents of the CNMI traveling or studying abroad.

(c) Bone Marrow Transplants. Notwithstanding any other provision of law, \$600,000 of the \$4,296,500 appropriated to the Department of Public Health under Medical Referral expenditure class code 62060 shall be used exclusively for purposes of bone marrow transplants and shall be available without fiscal year limitation until exhausted.

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

action is hereby created in every Commonwealth taxpayer to enforce this section, as a supplement to all other rights and remedies as may already exist at law or in equity. Sections 301 and 401 of this act are specifically made subject to this section.

Section 505. Legislative Budget Authority.

(a) Expenditure authority for funds appropriated for salaries of members of the Legislature (total personnel funds under "Senate" and "House of Representatives" in the budget worksheets) is vested in the Secretary of Finance. Such funds shall not be reprogrammed.

(b) In accordance with Article II, § 16(b) of the Commonwealth Constitution, as amended by Legislative Initiative 10-8, the funds appropriated under object class code 62060 for the House of Representatives shall be allocated equally among the eighteen (18) members of the House of Representatives. Members may voluntarily pool all or part of these funds. Expenditure authority for the funds so appropriated is vested in the individual members of the House of Representatives or designees pursuant to a pooling agreement. Such funds may be expended for any lawful purpose notwithstanding the object code classification but shall not be reprogrammed for expenditure other than as provided in this subsection.

(c) In accordance with Article II, § 16(b) of the Commonwealth Constitution, as amended by Legislative Initiative 10-8, the funds appropriated under object class code 62060 for the Senate shall be allocated equally among the nine (9) members of the Senate. Members may voluntarily pool all or part of these funds. Expenditure authority for the funds so appropriated is vested in the individual members of the Senate or designees pursuant to a pooling agreement. Such funds may be expended for any lawful purpose notwithstanding the object code classification but shall not be reprogrammed for expenditure other than as provided in this subsection.

(d) Expenditure authority for the funds appropriated under object class code 62840 for the House of Representatives is vested in the Speaker of the House of Representatives. In accordance with Article II, § 16(c) of the Commonwealth Constitution, as amended by Legislative Initiative 10-8, the Speaker shall distribute a portion of such amount equally among the standing committees of the House of Representatives for their operations and activities, and may make one or more such distributions during the course of the fiscal year. Expenditure authority for funds

distributed to standing committees pursuant to this subsection shall be vested in the chairpersons of the respective standing committees. Such funds may be expended for any lawful purpose notwithstanding the object code classification but shall not be reprogrammed for expenditure other than as provided in this subsection.

(e) Expenditure authority for the funds appropriated under object class code 62840 for the Senate is vested in the President of the Senate. In accordance with Article II, § 16(c) of the Commonwealth Constitution, as amended by Legislative Initiative 10-8, the President shall distribute a portion of such amount equally among the standing committees of the Senate for their operations and activities, and may make one or more such distributions during the course of the fiscal year. Expenditure authority for funds distributed to standing committees pursuant to this subsection shall be vested in the chairperson of the respective standing committees. Such funds may be expended for any lawful purpose notwithstanding the object code classification but shall not be reprogrammed for expenditure other than as provided in this subsection.

(f) Expenditure authority for funds appropriated to the Legislative Bureau is vested in the Director of the Legislative Bureau. With the written concurrence of the President of the Senate and the Speaker of the House of Representatives, the Director of the Legislative Bureau may reprogram funds appropriated to the Bureau without any limitation other than that imposed by 1 CMC § 7402(c)(3). Funds appropriated to the Legislative Bureau shall not be expended or reprogrammed other than for the activities and operations of the Legislative Bureau.

(g) Expenditure authority for the funds appropriated for retirement benefits contribution for the Legislative Branch is vested in the Secretary of Finance. Such funds shall not be reprogrammed.

(h) Limitations on Expenditures. In accordance with Legislative Initiative 10-8, no part of the appropriations for the legislature or the legislative bureau, other than a member's salary, may be used for personal or political activities. The Legislative Bureau shall not purchase, rent, or lease vehicles for the use of individual members of the legislature or their offices. The Legislative Bureau shall not defray travel expenses of individual members of the legislature or their personal staff, except as approved by joint resolution of the legislature.

(i) Employment Ceilings. Pursuant to Article X, § 7 of the Commonwealth Constitution, the following employment ceilings are hereby established with respect to the funds appropriated to the legislative branch by this Act. Each member of the legislature may have not more than ten (10) employees paid from funds expended pursuant to subsections (b) and (c) of this section. Not more than an additional twenty (20) employees may be paid from funds expended pursuant to subsection (d) and an additional twenty (20) employees from funds expended pursuant to subsection (e), with these employment ceilings distributed as the Speaker of the House and the President of the Senate, respectively, may specify. The Legislative Bureau may have not more than thirty-five (35) employees paid from funds expended pursuant to subsection (f).

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

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

(a) The Mayor and the Chairpersons of the Municipal Councils of the respective Senatorial Districts shall have the expenditure authority for appropriations for their respective offices. Each Municipal Council Chairperson shall allocate, and provide for the expenditure of, the funds appropriated to the Council in accordance with the Official Rules of the Council. Additionally, in accord with the Superior Court's decision in the case of Inos v. Tenorio, the Mayors shall also have expenditure authority over resident government departments in the First and Second senatorial districts respectively unless the Governor revokes expenditure authority in a manner consistent with the Superior Court's holdings in Inos v. Tenorio, to wit: expenditure authority over resident departments that are primarily concerned with the delivery of public services can be revoked only on a prior showing of just cause, but the Governor

has discretion to revoke expenditure authority over those departments that are primarily concerned with enforcing the law; Provided, that such expenditure authority shall be modified, extended, or canceled in any manner as the CNMI Supreme Court may subsequently direct in a decision in this case.

(b) For the Covenant Section 902 Consultations, expenditure authority is vested in the Chairman of the Special Representatives to the 902 Consultations.

(c) For the Ground Water Management and Protection Act Fund, expenditure authority is vested in the Chief of the Division of Environmental Quality.

(d) For the CNMI Flame Tree Arts Festival, expenditure authority is vested in the Executive Director of the Commonwealth Council for Arts and Culture.

(e) For the Junior Reserve Officer Training Corps (JROTC), expenditure authority is vested in the Commissioner of Education or his designee.

(f) For the NM Protection and Advocacy Program, expenditure authority is vested in the Chairman of the Board of Directors or her designee.

(g) For the CNMI Youth Congress, the expenditure authority is vested in the Speaker of the CNMI Youth Congress with the concurrence of the Director of the Legislative Bureau.

(h) For the APIL, the expenditure authority is vested in the Secretary of the Department of Finance.

(i) For the APPU, the expenditure authority is vested in the Secretary of the Department of Finance.

(j) For the Developmental Disabilities Planning Agency, the expenditure authority is vested in the Executive Director of the Agency.

(k) For the Marianas Bound (KARIDAT), the expenditure authority is vested in the Chairman of the Board of Directors.

(l) For the Micronesian Legal Services Corporation, the expenditure authority is vested in the Executive Director of the Micronesian Legal Services Corporation.

(m) For the Ayuda Network, the expenditure authority is vested in the Chairman of the Board of Directors.

(n) For all government agencies receiving appropriated funds for personnel or staff housing, administrative authority over housing and expenditure authority over

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

(o) For the Manila Liaison Office in the Philippines, expenditure authority is vested in the Governor.

(p) For the air and sea vessel charters to the Northern Islands, expenditure authority is vested in the Mayor of the Northern Islands.

(q) For Tinian Little League, the expenditure authority is vested in the Resident Director of Community and Cultural Affairs.

(r) For Rota Little League, the expenditure authority is vested in the Resident Director of Community and Cultural Affairs.

(s) For Saipan Little League, the expenditure authority is vested in the CNMI Little League District Administrator.

(t) For the Tax Task Force, the expenditure authority is vested in the Chairman of the Tax Task Force.

(u) For the Cops Universal Hiring Program, the expenditure authority is vested in the Commissioner of Public Safety with the concurrence of the Director of Criminal Justice Planning Agency.

(v) For Section 103 (b) Independent Program Nos. 1, 2, 5, 7, 12, 16, 17, 19, 21, 38, and 40, as identified on the Summary of Appropriations worksheets, expenditure authority is vested in the Secretary of the Department of Finance.

(w) For the Food and Nutrition, expenditure authority is vested in the Secretary of Public Health with the concurrence of the Chairman of CNMI Food and Nutritional Council.

(x) For the EEZ, expenditure authority is vested in the Secretary of Lands and Natural Resources.

(y) For the Public Assistance Program on Matching Fund, expenditure authority shall be the Governor or his designee.

(z) For the Joeten-Kiyu Public Library, expenditure authority is vested in the administrative librarian duly appointed pursuant to 1 CMC § 1505(j) and in the chairperson of the Commonwealth Library Council, to such extent as the Council shall determine subsequent to the effective date of this Act.

(aa) For the Commonwealth Museum, expenditure authority is vested in the chairperson of the Board of Governors of the Commonwealth Museum or designee, notwithstanding 2 CMC § 4880.

(bb) For the Board of Education, expenditure authority is vested in the chairperson of the Board of Education. Expenditure authority for funds appropriated for operations for each public school is vested in the principal of the public school. Expenditure authority for all other funds appropriated to the Public School System is vested in the Commissioner of Education or designee. Pursuant to the constitutional autonomy of the Public School System mandated by Article XV, Section 1(b) and (c) of the Commonwealth Constitution and notwithstanding subsection (a) of this section, the provisions of this subsection apply in all senatorial districts.

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

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

(a) Reprogramming is prohibited from funds appropriated under expenditure class codes 62430, 62440, 62690, 64700, 64510, 64520, 64410, 64420, 64630, 64640, 64650, 65350, 65400 and any expenditure line item included in the detailed budget worksheets and not assigned specific class codes.

(b) Reprogramming is permitted from any object class to medical referral.

(c) Notwithstanding the reprogramming restrictions of 1 CMC § 7402(c)(3), funds appropriated under this Act for housing rental (Class Code 62430) and housing allowance (61200) may be used interchangeably. Affected offices and activities are encouraged to utilize the housing allowance method to fulfill their employees' housing requirements.

(d) Notwithstanding 1 CMC § 7402(a)(2), funds may be reprogrammed to zero funded accounts within the Department of Public Health and the Public School System.

(e) This Act appropriates a total of \$15,563,100 to the First Senatorial District (Rota). These funds shall not be reprogrammed except within the First Senatorial District.

(f) This Act appropriates a total of \$15,613,100 to the Second Senatorial District (Tinian). These funds shall not be reprogrammed except within the Second Senatorial District.

(g) Funds appropriated to the Public School System may be reprogrammed by the person with expenditure authority without regard to 1 CMC § 7402, and to this extent appropriations to the Public School System represent a system of lump sum budgeting; Provided, that funds appropriated for a given public school may be reprogrammed to another public school only by resolution of the Board of Education with the concurrence of the affected principals; Provided further, that the Board of Education may reprogram funds from one expenditure authority to another within the Public School System with the consent of the original expenditure authority. Pursuant to Article XV, Section 1(e) of the Commonwealth Constitution, funds appropriated to the Public School System shall not be reprogrammed outside the Public School System.

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

Section 511. Salary Adjustments. No employee shall receive a retroactive salary adjustment for any period earlier than thirty (30) days prior to the effective date of this Act, provided that this limitation shall not be applicable to civil service within-grade increases, and provided further that employees who were paid less than 5% on their annual increment Pursuant to Public Law 7-31 shall receive equivalent to 5% but shall not exceed 15% retroactive to the date of the employee's within-grade increase.

Section 512. Lateral Transfer. An employee moving from one position to another position within the same pay level, shall be paid at the same pay level and step as the former position and be treated as a lateral transfer, not as a promotion.

Section 513. Salary Exemption. Notwithstanding 1 CMC §§ 8245(f) and 8248: U.S. certified public accountants, and attorneys whose primary responsibilities consist of practice of their profession and who have been admitted to practice in a U.S. jurisdiction for at least two years, may receive an annual salary in excess of \$50,000 but not more than \$70,000; and engineers may not receive salaries in excess of \$70,000.

Section 514. Office of the Public Auditor. Notwithstanding any other provision of law, the Public Auditor having agreed that \$2,311,300 is sufficient funding for the Office of the Public Auditor for FY 1999, the excess of those funds that would otherwise be allotted to the Public Auditor pursuant to 1 CMC § 7831 above \$2,311,300 is hereby instead appropriated as follows: the first \$366,444 shall be used to pay the 30 percent retirement bonus due eligible government employees who previously retired without receiving the bonus and eligible employees retiring during FY 1999 and lump-sum of annual leave, under the expenditure authority of the Secretary of Finance, followed by \$500,000 to Medical Referral and \$500,000 for the Scholarship Program, and except as otherwise provided by this Act, such monies so appropriated for these purposes may be spent without further appropriation.

Section 515. Salary Adjustment. The Legislature finds and declares that no special appropriation is required to implement the salary adjustments mandated by Public Law 7-31. These salary adjustments are required by law. In every fiscal year, the funds appropriated for personnel by the annual appropriations acts are available to meet the personnel costs of the salary adjustments required by Public Law 7-31. There is no distinction between these personnel costs and all other personnel costs. Any lapsed personnel funds during the fiscal year shall be available to implement these salary adjustments. Subject to the restrictions provided by this Act, the Governor may reprogram any of the funds appropriated by this Act to implement these salary adjustments, and any funds so reprogrammed shall be disregarded for purposes of the limits on particular and cumulative reprogramming authority under 1 CMC § 7402.

Section 516. The Marianas Visitors Authority. Notwithstanding any other provision of law, the Mariana Visitors Authority shall only receive those funds appropriated thereto in this Act.

Section 517. Unfilled Vacancies. Except for the Public School System, the Department of Public Safety, and the Department of Public Health, any FTE positions in the Executive Branch that are not filled within 180 days of the occurrence of a vacancy shall be eliminated.

For purposes of this section, a new position authorized by this Act is deemed vacant on the effective date of this Act.

Section 518. Earmarked Funds. The earmarking provisions in Public Laws 10-66, 9-29 and 11-25 are hereby suspended for the 1999 Fiscal Year such that monies earmarked under these laws that are not explicitly appropriated with reference to those laws for their earmarked purpose(s) are hereby transferred into the General Fund for general appropriation under this Act. The earmarking and automatic appropriation of funds under Public Law 10-1 is not affected or amended by this Act.

Section 519. Release of Guarantee Funds Pledged to MPLT. Notwithstanding Section 10 of Public Law 10-29, the Secretary of Finance shall be required to maintain in the special trust fund only such amounts of the interest transferred from MPLT and the moneys received from public lands as MPLT determines will provide MPLT with adequate security for loans made pursuant to Public Law 10-29, as amended, and the remainder shall be available as resources appropriated by this Act. To the extent that deposits into the special trust fund pursuant to Section 10(b) of Public Law 10-29 result in a shortfall of available revenues projected for this Act, the Secretary of Finance is authorized and directed to utilize the balance in the fund on October 1, 1998 transferred pursuant to Section 10(d) of Public Law 10-29 and lapsed funds under this Act to make up the shortfall.

Section 520. Appropriation of Surplus Public Land Revenues. Subject to release by MPLT pursuant to Section 519 of this Act, any revenues received from public lands during the fiscal year in excess of the \$6,752,100 identified in Section 201(a)(4) of this Act are hereby appropriated for homestead development and may be expended by the Secretary of Lands and Natural Resources, subject to the requirements of Public Law 10-57, as amended, without further legislative action.

Section 521. Nonresident Worker Fee Fund for Second Senatorial District. Notwithstanding any other provision of law, \$50,000 of the \$75,000 Public Law 10-66 funds appropriated to Tinian by this Act under object classification 67000 shall be used as follows:

- (a) \$12,300 under object class code 62420 and \$3,399 under object class code 62060, to Economic Development;
- (b) \$16,000 under object class code 62420 and \$10,000 under object class code 64510, to Sports and Recreation; and
- (c) \$8,301 to Public Works under object class code 62660.

Section 522. Additional Administrative Provisions.

(a) Northern Islands Air and Sea Vessel Charter Appropriation. The funds appropriated in this Act for the purpose of chartering vessels to the Northern Islands shall be spent so as to provide non-emergency field trip service to the three islands of Anatahan, Alamagan, and Agrihan every three months, to the extent that funding is so available, provided that such funds may be used in a different manner for emergency purposes.

(b) Pacific Island Development Bank. Notwithstanding any other provision in this Act or other law, the \$175,000 appropriated for this purpose shall not be reprogrammed for any other purpose unless such reprogramming is approved by Joint Resolution from the Legislature; and, expenditure authority of this appropriation shall be with the Secretary of Finance.

(c) Public School System. The Public School System shall report actual expenditures to the Governor and the presiding officers of the Legislature on a quarterly basis. This report shall be due not later than 30 days after the close of each fiscal quarter. Notwithstanding any other provision of law, funds appropriated by this Act for the Public School System shall remain available for obligation and expenditure without fiscal year limitation.

(d) Of the funds appropriated to the Superior Court under object class code 62060 (Professional Services), \$100,000 is reserved for the Family Court mediation project.

Section 523. Termination of Continuing Budget Authority. The effect of any veto of any appropriation in this Act is to zero fund the item, program, branch, department, agency or any other entity vetoed.

Section 524. Maximum Salaries.

(a) Notwithstanding 1 CMC § 8245 (a), the Secretary of Community and Cultural Affairs and the Secretary of Commerce shall each receive an annual salary of not more than \$52,000, and the Secretary of Lands and Natural Resources and the Secretary of Labor and Immigration shall each receive an annual salary of not more than \$52,000.

(b) Notwithstanding 1 CMC § 8245(c), the annual compensation for resident department heads shall not be more than \$45,000.

(c) Notwithstanding 1 CMC § 8245(d), the annual compensation for unclassified division directors and special assistants of the principal executive departments shall be not more than \$45,000; Provided, that the Director of Customs shall receive an annual salary of not more than \$48,000 per annum.

Section 525. Ph.D. J.D., C.P.A. Exemption. Notwithstanding Sections 513 and 524 of this Act or 1 CMC §§ 8248(a) and 8245, a department secretary or activity head (including the Commissioner of Education) who holds a Ph.D. or J.D. degree, or is a U.S. certified public accountant, may receive an annual salary in excess of \$50,000 but not more than \$80,000.

Section 526. Salary Ceiling. Public Laws 7-31, 8-15, 8-6, 9-25, 10-35, and 10-85 with reference to salaries of graded or ungraded positions, shall be strictly adhered to. All salary classification and compensation outside the above laws shall be first sanctioned by the Legislature before its implementation.

Section 527. Criminal Penalties. Without limitation on the applicability of any other part of the Planning and Budgeting Act of 1983, as amended, the criminal penalties set forth in the Planning and Budgeting Act of 1983, as amended (1 CMC Section 7701 et seq.), shall apply to this Act.

Section 528. Continuing Appropriation. Until the annual appropriation act(s) for a subsequent fiscal year is (are) enacted into law superseding budget authority based on this Act, the appropriation levels, criminal penalties, and administrative provisions for government operations and obligations provided under this Act shall continue to apply to establish, and with respect to, any continuing budget authority. Appropriations to expenditure class codes 64510, 64520, 64540, 64420, 64630, 64640, 64580, 64590 64660, and any other expenditure line item included in the detailed budget worksheets and not assigned specific class codes, are intended to provide funding for Fiscal Year 1999 only and shall not provide a basis for continuing appropriations.

Section 529. NMC Apprenticeship Program Reappropriation. Notwithstanding any other provision of law, \$2,123,800 of the \$3,500,000 appropriated for NMC "Apprentice Program" is hereby appropriated for the following items: See Attachment A

(a) \$150,000 For the Department of Public Safety's Fire Division "Vehicles public Service or Admin." account or class code 64580 towards the purchase of a fire truck by the Department of Public Safety.

(b) \$100,000 For the Department of Public Safety's Fire Division "Vehicles Public Service or Admin." account or class code 64580 towards the purchase of ambulances by the Department of Public Safety.

(c) \$584,000 For the Public School System's Administration Personnel and Operational needs:

(1) Personnel - 61550 - Typhoon Differential - \$50,000 for payment of teacher substitutes and Special Education proficiency differential.

(2) Operations -

62020 - Professional Services - \$175,000 for liquidation of pending or settled cases; implementation phase of the Financial Management System; payment of external administrative hearing officers who would mitigate complaints prior to reaching the courts.

62080 - Advertising - \$2,000 compliance with FY 1998 expenditure pattern.

62250 - Communications - \$20,000 compliance with FY 1998 expenditure pattern.

62280 - Insurance - \$55,000 to insure the current number of school buses used in transporting students to and from school.

62430 - Rental Office - \$42,000 increase in monthly office rental for PSS Central Office located at the Nauru Building.

62660 - Repairs & Maintenance - \$25,000 repair of vehicles such as buses; computers; and, other schools that need additional funding to complete their building, or electrical and mechanical repairs.

62680 - Freight and Handling - \$15,000 compliance with FY 1998 expenditure pattern for shipment of books and other educational materials to Rota and Tinian.

63050 - Supplies-Operations - \$200,000 purchase of educational testing materials to develop a database to determine the skill levels of the students in math, science and language arts compared to national educational standards.

(d) \$829,800 For the Department of Public Health's "Medical Supplies" program within class code 63070 to purchase additional medical supplies.

(e) \$60,000 For the recruitment of 1 adolescent clinical psychologist or psychiatrist within class code 61100 for the Division of Youth Services.

(f) \$400,000 For the Office of the Governor's "Scholarship Funds" program within class code 65400 to fund the Educational Assistance Grants, Teacher Scholarship Program and Student Loans.

Section 530. Reallocation of Legislative Funds. Notwithstanding any other provision of law, \$270,000 or \$10,000 per elected member of the \$4,185,000 appropriated to the Legislature (House and Senate) under "Professional Services" or class code 62060 shall be used for the purchase of two new buses for the Public School System. The Commissioner of the Public School System shall be the expenditure authority.

Section 531. Independent Programs Reallocation. Notwithstanding any other provision of law, \$70,000 of the \$3,122,758 appropriated under Independent Programs for PL 8-31, 9-22, 9-29, 11-25 shall be used for the following:

(a) \$40,000 For the Northern Island Mayor's "Professional Services" account or 62060 class code to fund additional field trips to the Northern Islands.

(b) \$30,000 For the Emergency Mgt. Operation's "Computer System & Equipment" account or 64550 class code to fund the purchase of new seismic equipment.

CHAPTER VI. MISCELLANEOUS PROVISIONS

Section 601. New Budget Year for Public School System. The Legislature intends to establish a new budget year for the Public School System to run from July 1 through June 30 of each year. Notwithstanding Section 501(a)(9) of this Act, the funding for the fourth quarter of Fiscal Year 1999 under this Act shall be reserved as funding for the first quarter of the new budget year to be established by law. In order to implement the planned new budget year, the Governor's FY 2000 budget submission to the Legislature pursuant to 1 CMC § 7201 shall include two figures for the Public School System: one representing the recommended appropriation for the final three quarters of the 1999-2000 School Year and one for the recommended appropriation for the first quarter of the 2000-2001 School Year. The Board of Education shall submit to the Legislature and the Governor not later than January 31, 1999, a proposed budget for the Public School System for the 1999-2000 School Year, and shall submit to the Legislature not later April 1, 1999, a revised budget consistent with the appropriation levels recommended by the Governor. The Legislature shall enact the budget for

School Year 1999-2000 (July 1, 1999 through June 30, 2000) no later than May 31, 1999, which budget shall be funded from fourth quarter FY 1999 appropriations and the first three quarter FY 2000 appropriations. [NOTE: **THIS SECTION WAS VETOED BY GOVERNOR**]

Section 602. Severability. If any provision of this Act, or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the Act which can be given effect without the invalid provision or applications, and to this end the provisions of this Act are severable.

Section 603. 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 604. Effective Date. Upon its approval by the Governor its becoming law without such approval, this Act shall take effect October 1, 1998.

CERTIFIED BY:

/s/ Diego T. Benavente
DIEGO T. BENAVENTE
Speaker
House of Representatives

ATTESTED BY:

/s/ Evelyn C. Fleming
EVELYN C. FLEMING
House Clerk

Approved this 22nd day of September, 1998

/s/ Pedro P. Tenorio
PEDRO P. TENORIO
Governor
Commonwealth of the Northern Mariana Islands