



## COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

**Juan N. Babauta**

Governor

**Diego T. Benavente**

Lieutenant Governor

FEB 0 2 2004

Senator Pete P. Reyes  
Chairman, Saipan and Northern Islands  
Legislative Delegation  
Fourteenth Northern Marianas  
Commonwealth Legislature  
Saipan, MP 96950

The Honorable Benigno R. Fitial  
Speaker, House of Representatives  
Fourteenth Northern Marianas  
Commonwealth Legislature  
Saipan, MP 96950

Dear Mr. Chairman and Mr. Speaker:

This is to inform you that I have signed into law House Local Bill No. 13-48, S1, entitled, "To establish a Saipan and Northern Islands Municipal Scholarship Board; and for other purposes," which was passed by the Saipan and Northern Islands Legislative Delegation, Thirteenth Northern Marianas Commonwealth Legislature.

House Local Bill No. 13-48, S1 establishes a Saipan and Northern Islands Municipal Scholarship Board within the Office of the Mayor of Saipan. The Mayor is tasked to appoint five members to this board, who are subject to the advice and consent of the Saipan and Northern Islands Legislative Delegation (SNILD). The board is responsible for the operation of this program. The Secretary of Finance will establish a separate special account for this scholarship program. The sources of funding for this program derives from continuing appropriation of \$1,200,000 annually from the fees collected from the local license for poker machines and pachinko machines imposed by Saipan Local Law No. 13-8 and gifts, grants and donations of money received by this board. The Office of the Mayor of Saipan is responsible to provide some assistance to this program.

This scholarship program will provide additional financial assistance to all qualified Saipan students who are attending or have been accepted for enrollment at an institution

*Recd 2/2/04 - 4:25 pm / a*

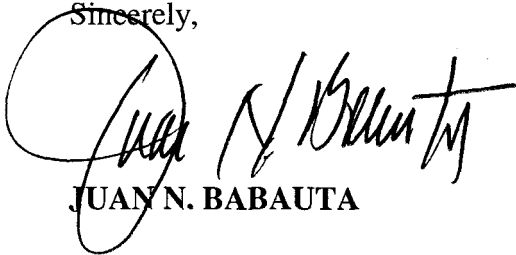
of higher education. I commend the author of this bill and the members of the SNILD for passing this important piece of legislation. As you all know, quality education is one of the priority goals of this Administration and I am very happy to sign this bill into law in order to provide an opportunity to all qualified Saipan students to continue pursue their dreams, dreams which can be made possible with the attainment of higher education.

I respectfully suggest, however, that the SNILD consider amending Section 3 of this measure which presently provides that all five members of the board a two years term. Theoretically, the entire board may have new members every two years. If so, all of them will have to spend time getting familiar with the board's duties and responsibilities. However, if the terms were staggered, the board would always have members already familiar with the functions of the board. Therefore, I respectfully suggest to the SNILD to amend this section by modifying the appointment of members of the board to be staggered terms in order to ensure better continuity of this program.

Please also note that there are two sections numbered "five" in this measure. The Law

This local bill becomes Saipan Local Law No. 13-21. Copies bearing my signature are forwarded for your reference.

Sincerely,

A handwritten signature in black ink, appearing to read "Juan N. Babauta". The signature is written in a cursive style with a large, circular flourish on the left side.

**JUAN N. BABAUTA**

CC: Senate President, The Senate  
Secretary, Department of Finance  
Mayor, Office of the Mayor of Saipan  
Special Assistant for Management and Budget  
Chairman, Saipan and Northern Islands Municipal Council  
Special Assistant for Administration  
Executive Director, CNMI Scholarship Office  
Acting Special Assistant for Programs and Legislative Review

SAIPAN *and* NORTHERN ISLANDS LEGISLATIVE DELEGATION  
Third Senatorial District

Thirteenth Northern Marianas Commonwealth Legislature

SIXTH SPECIAL SESSION, 2004 SAIPAN LOCAL LAW NO. 13-21  
HOUSE LOCAL BILL NO. 13-048, S1

---

---

A LOCAL BILL FOR AN ACT  
FOR THE THIRD SENATORIAL DISTRICT OF  
SAIPAN AND THE NORTHERN ISLANDS

To establish a Saipan Higher Education Financial Assistance Board; and for other purposes.

*Offered by Representatives Arnold I. Palacios, Martin B. Ada, Francisco DLG. Aldan, Jesus T. Attao, Oscar M. Babauta, Gloria DLC. Cabrera, Pedro P. Castro, Joseph P. Deleon Guerrero, Heinz S. Hofschneider, Herman T. Palacios, Andrew S. Salas, Benjamin B. Seman, Ramon A. Tebuteb, Manuel A. Tenorio, Stanley T. Torres, William S. Torres; Senators Ramon S. Deleon Guerrero, Pete P. Reyes, and Thomas P. Villagomez*

*on*

*September 29, 2003*

---

---

**House Action**

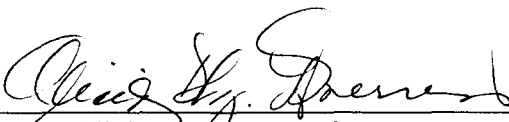
*Transmitted to Saipan and Northern Islands Legislative Delegation  
for action on December 31, 2003*

**Delegation Action**

*Passed First and Final Reading on January 5, 2004*

---

---

  
Alicia Leon Guerrero  
Delegation Secretary

SAIPAN AND NORTHERN ISLANDS COMMONWEALTH LEGISLATURE  
THIRTEENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

FOURTH REGULAR SESSION, 2003

SAIPAN LOCAL LAW NO. 13-21  
HOUSE LOCAL BILL NO. 13-048, S1

---

A LOCAL BILL FOR AN ACT

To establish a Saipan Higher Education Financial Assistance Board; and  
for other purposes.

**BE IT ENACTED BY THE THIRD SENATORIAL DISTRICT DELEGATION  
PURSUANT TO CHAPTER 4, DIVISION 1, TITLE 1 OF THE  
COMMONWEALTH CODE:**

1       **Section 1. Short Title.** This Chapter may be cited as the “Saipan Higher Education  
2 Financial Assistance Act of 2003.”

3       **Section 2. Definitions.** In this Act, unless the context otherwise provided or the  
4 context clearly requires a different construction or application, the following definitions shall  
5 apply:

6           (a) “Board” means the Saipan Higher Education Financial Assistance Board  
7 established under section 3 of this Act.

8           (b) “Delegation” means the Saipan and Northern Islands Legislative Delegation  
9 as provided under 1 CMC § 1404(a).

10          (c) “Financial assistance” includes but is not limited to grants, loans, merit-  
11 based scholarships and other programs of student financial assistance  
12 provided by regulation or statute.

13          (d) “Fund” means Saipan Higher Education Financial Assistance Fund  
14 established under section 5 of this Act.

15          (e) “Resident” means a person who is a United States citizen or a United States  
16 permanent resident, who has resided in the Municipality of Saipan for at  
17 least a year before applying for financial assistance administered by the  
18 Board and who is attending or has been accepted for enrollment at an  
19 institution of higher education in the CNMI or outside the CNMI. The

1                   residency requirement may be met by proof of a parent residing on Saipan  
2                   for the requisite period.

3                   **Section 3. Saipan Higher Education Financial Assistance Board: Establishment.**

4                   There is hereby established, within the Office of the Mayor of Saipan, a Saipan Higher  
5                   Education Financial Assistance Board, to be composed of five members who shall serve for a  
6                   term of two years. All members shall be eligible to vote in the CNMI, be at least 21 years of  
7                   age, and be residents of Saipan for at least three years immediately prior to appointment. The  
8                   Mayor of Saipan shall appoint members of the Board subject to confirmation by the Saipan and  
9                   Northern Islands Legislative Delegation. The Board shall choose a chairperson among its  
10                  members to preside over board meetings. It also may establish committee necessary for the  
11                  conduct of its business and prescribe by regulation procedures to govern meetings.

12                  **Section 4. Persons Ineligible for Board.** No person who holds an elective office in  
13                  any branch of the Commonwealth or Municipal governments shall be eligible to serve on the  
14                  Board. Any board member may be removed by the Mayor on the grounds of gross neglect of  
15                  duty, conviction of a felony, or mental or physical incapacity.

16                  **Section 5. Powers and Duties.** The Board shall:

- 17                   (a) Establish policies pertaining to higher education financial assistance  
18                   consistent with this Act.  
19                   (b) Administer the higher education financial assistance program for eligible  
20                   residents of Saipan as authorized under this Act.  
21                   (c) Have authority and control of all funds appropriated by the Saipan and  
22                   Northern Islands Legislative Delegation or the Commonwealth Government  
23                   or otherwise made available to the Board for higher education financial  
24                   assistance. The Board may designate the chairperson or another member to  
25                   carry out specific functions relating to the financial management of the  
26                   funds subject to the authority and direction of the Board.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

- (d) Receive and accept from any individual, association or corporation, gifts, grants and donations of money for the purpose of providing higher education financial assistance.
- (e) Enter into such contracts as are necessary or incidental to the performance of the Board’s duties and in carrying out the functions of the Board under this Act. The Board may designate the chairperson or another member to execute contracts on its behalf subject to the authority and direction of the board.
- (f) Record, monitor, and maintain financial records of monies received by the Board for higher education financial assistance and for its operational costs.
- (g) Establish programs for higher education financial assistance including, but not limited to, grants and merit-based scholarships.
- (h) Set up procedures for awarding higher education financial assistance.
- (i) Prioritize fields of study for which higher education financial assistance will be granted.
- (j) Receive and review applications for higher education financial assistance from the Board.
- (k) Establish criteria for eligibility for higher education financial assistance with significant attention to those with special needs, which shall include, but not be limited to:
  - (i) The financial status and capability of the applicants including, the sources of financial support, i.e., the income of parents or guardians;
  - (ii) The fields of study to be pursued by the applicants; and
  - (iii) The tuition, fees, and room and board to be incurred by applicants.
  - (iv) Eligibility to receive other forms of financial aid from the Commonwealth and the Federal governments.

1 (l) Receive, maintain and review records of all higher education financial  
2 assistance granted by the Board.

3 (m) Issue an annual report to the Mayor of Saipan, to the Saipan and Northern  
4 Islands Legislative Delegation, and to the Saipan and Northern Islands  
5 Municipal Council which shall include, but not be limited to its policies,  
6 financial reports, listing of students by school attended and school year, and  
7 any other information which the Board, the Mayor, the Legislative  
8 Delegation and the Council may deem appropriate.

9 (n) Prescribe reasonably necessary rules and regulations pursuant to 1 CMC §§  
10 9101 through 9115, Administrative Procedure Act, to carry out the intent of  
11 this Act.

12 (o) Do any and all other things necessary to the full and convenient exercise of  
13 the above powers.

14 **Section 5. Saipan Higher Education Financial Assistance Fund.**

15 (a) There is hereby established the Saipan Higher Education Financial  
16 Assistance Fund, wholly segregated and separate from the General Fund, into which all  
17 monies accruing to the benefit of the Saipan Higher Education Financial Assistance  
18 Board shall be deposited. The Secretary of Finance is hereby authorized and directed  
19 to establish a separate account into which all funds appropriated, donated, or accruing  
20 to the benefit of the fund shall be deposited, and for the payments made therefrom as  
21 directed by the Board.

22 (b) *Continuing Appropriation.* The sum of \$1,200,000 is hereby continuously  
23 appropriated from the fees collected from the local license fees for poker and pachinko  
24 machines imposed under Saipan Local Law 13-8. The Secretary of Finance shall  
25 transfer the amount every fiscal year into the fund established under this section.

1           **Section 6. Municipal Assistance.** The Office of the Mayor of Saipan shall, upon  
2 request, and subject to the limits of availability, provide the Board with administrative,  
3 personnel and logistic support.

4           **Section 7. Eligibility for Scholarship.** No person other than residents of the  
5 Municipality of Saipan as defined under section 2 of this Act shall be eligible for or receive  
6 assistance from the Saipan Higher Financial Assistance Fund.


7           **Section 8. Record of Awards.** The Board shall keep a current record of all persons  
8 who are recipients of assistance from the Saipan Scholarship Fund.

9           **Section 9. Severability.** If any provision of this Act or the application of any such  
10 provision to any person or circumstance should be held invalid by a court of competent  
11 jurisdiction, the remainder of this Act or the application of its provisions to persons or  
12 circumstances other than those to which it is held invalid shall not be affected thereby.

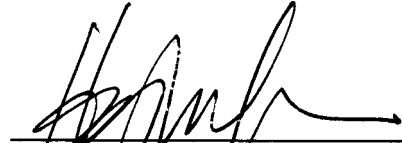
13           **Section 10. Savings Clause.** This Act and any repealer contained herein shall not be  
14 construed as affecting any existing right acquired under contract or acquired under statutes  
15 repealed or under any rule, regulation or order adopted under the statutes. Repealers contained  
16 in this Act shall not affect any proceeding instituted under or pursuant to prior law. The  
17 enactment of this Act shall not have the effect of terminating, or in any way modifying, any  
18 liability, civil or criminal, which shall already be in existence at the date this Act becomes  
19 effective.

1           **Section 11. Effective Date.** This Act shall take effect upon its approval by the  
2 Governor or upon becoming law without such approval.

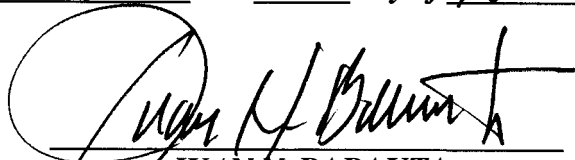
**CERTIFIED BY:**

  
\_\_\_\_\_  
**PETE P. REYES**  
Chairman  
Saipan and Northern Islands  
Legislative Delegation

**ATTESTED TO BY:**

  
\_\_\_\_\_  
**HEINZ S. HOFSCHEIDER**  
Speaker  
House of Representatives

*Approved* this *2<sup>nd</sup>* day of *February*, 2004.

  
\_\_\_\_\_  
**JUAN N. BABAUTA**  
Governor