

TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH

LEGISLATURE

IN THE HOUSE OF REPRESENTATIVES

Regular Session, 2025

H. B. 24-48

A BILL FOR AN ACT

To adjust the 1992 salary cap of executive directors to a 2025 inflation-equivalent amount.

BE IT ENACTED BY THE 24TH NORTHERN MARIANAS
COMMONWEALTH LEGISLATURE:

1 **Section 1. Findings and Purpose.** The Legislature finds that the executive-
2 level salary cap of \$70,000 under 1 CMC § 8246, set more than three decades ago,
3 has not kept pace with inflation and no longer provides the purchasing power
4 originally intended. This erosion of real-dollar value risks discouraging qualified
5 candidates and undermines the statute's purpose. Addressing this issue requires
6 using a reliable and professionally accepted measure of inflation to convert the
7 1992 salary figure into a present-day equivalent.

8 The Consumer Price Index for All Urban Consumers (CPI-U), which is
9 compiled monthly by the U.S. Bureau of Labor Statistics, is the nation's most
10 widely accepted inflation gauge. In *Manibusan v. Larson*, 2018 MP 7, the CNMI
11 Supreme Court cited the *Analysis of the Constitution of the Commonwealth of the*
12 *Northern Mariana Islands* to confirm that both a professionally prepared CNMI-
13 specific CPI and the nationwide CPI-U qualify as acceptable composite price

1 indices. However, because the CNMI-specific CPI does not offer continuous data
2 back to 1992, the CPI-U represents the only complete and verifiable measure for
3 the entire period. Given its comprehensiveness and judicial recognition, the CPI-U
4 is the most appropriate benchmark for recalibrating executive-level salaries.

5 Although *Manibusan* specifically addressed legislative compensation, its
6 acceptance of the CPI-U highlights the index’s reliability and broader applicability
7 as a transparent and professionally recognized measure of inflation. Applying this
8 CPI-based method to executive-level salaries therefore ensures consistency,
9 objectivity, and fiscal responsibility throughout the government, in line with the
10 Legislature’s original intent.

11 To determine the 2025 equivalent of the 1992 salary, the Legislature first
12 identifies the CPI-U annual average for 1992 (140.3) and the most recent CPI-U
13 figure as of June 2025 (322.561). Dividing the 2025 index by the 1992 index yields
14 an inflation factor of approximately 2.299 ($322.561 \div 140.3$). Multiplying the
15 original \$70,000 salary by this factor results in approximately \$160,936 ($\$70,000$
16 $\times 2.299$). Rounding to the nearest thousand for budgeting clarity gives a target
17 figure of \$161,000. In other words, consumer prices have risen by roughly 2.3 times
18 since 1992, requiring salaries to increase proportionally to maintain the same
19 purchasing power today. The figure of \$161,000 thus represents the current
20 equivalent of the original \$70,000 cap established in 1992.

21 Importantly, this adjustment does not mandate any immediate increase in

1 pay. It merely updates the statutory ceiling, allowing—but not requiring—boards
2 and agencies to revise executive compensation within the revised salary range.
3 Each corporation or autonomous entity retains full discretion to determine whether
4 and when to adjust compensation based on its own budgetary constraints,
5 performance policies, and organizational needs.

6 Accordingly, this Act adjusts the salary cap established in 1 CMC § 8246
7 from \$70,000 to \$161,000 to restore the purchasing power originally intended by
8 the Eighth Northern Marianas Commonwealth Legislature.

9 **Section 2. Amendment.** Section 8246 of Chapter 4, Part 2, Division 8, Title
10 1 of the Commonwealth Code is hereby amended to read as follows:

11 **“§ 8246. Compensation of the Executive Directors of Government
12 Corporations, Semiautonomous and Autonomous Agencies.**

13 The executive directors (the top administrative officers) of government
14 corporations, as defined in 1 CMC § 7103(n), and of other agencies,
15 commissions, and offices shall receive an annual salary of not less than
16 \$48,000 and not more than ~~\$70,000~~ \$160,000 as determined by the
17 applicable boards based on duties and responsibilities of such agencies.

18 Provided further that no executive director, or no top administrative
19 officer, of the agency shall be paid a contract buyout in the event the
20 employment of the executive director or the top administrative officer is
21 terminated before the end of the contract term.”

1 **Section 3. Severability.** If any provisions of this Act or the application of
2 any such provision to any person or circumstance should be held invalid by a court
3 of competent jurisdiction, the remainder of this Act or the application of its
4 provisions to persons or circumstances other than those to which it is held invalid
5 shall not be affected thereby.

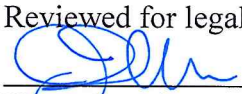
6 **Section 4. Savings Clause.** This Act and any repealer contained herein
7 shall not be construed as affecting any existing right acquired under contract or
8 acquired under statutes repealed or under any rule, regulation, or order adopted
9 under the statutes. Repealers contained in this Act shall not affect any proceeding
10 instituted under or pursuant to prior law. The enactment of the Act shall not have
11 the effect of terminating, or in any way modifying, any liability, civil or criminal,
12 which shall already be in existence on the date this Act becomes effective.

13 **Section 5. Effective Date.** This Act shall take effect upon its approval by
14 the Governor, or it becoming law without such approval.

Prefiled: 8/8/2025

Date: 8/7/2025

Introduced by: 
Rep. Angelo A. Camacho

Reviewed for legal sufficiency by:

House Legal Counsel

Date: August 7, 2025