TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

IN THE HOUSE OF REPRESENTATIVES

_____ **Session, 2026** **H. B. 24-** 115

A BILL FOR AN ACT

To appropriate One Million, One Hundred Forty-Seven Thousand, One Hundred Thirteen Dollars ($1,147,113.00) allotted under 4 CMC §1402; Three Million, Two Hundred Nine Thousand, Twenty Eight Dollars and Fifteen Cents ($3,209,028.15) allotted under 3 CMC §2173; Two Million, Four Hundred Ninety-One Thousand, Nine Hundred Sixty-Three Dollars and Eighteen Cents ($2,491,963.18) from the FY2026 Excess Funds from the Medicaid Underruns; and Three Hundred Fifty-Three Thousand, One Hundred Sixty Dollars and Forty-Four Cents ($353,160.44) from the excess funds of the FEMA underruns; and for other purposes.

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

Section 1. Findings and Purpose. The Legislature finds that Governor Communication (House) 24-212 informs the legislature that there is approximately $7.2 million in funding that has been identified for legislative consideration and appropriation to address the Commonwealth's financial needs for Fiscal Year 2027. The identified funding source comes from 4 CMC § 1402 in the amount of $1,147,113.00; 3 CMC § 2173 in the amount of $3,209,028.15; Medicaid Underruns in the amount of $2,491,963.18; and FEMA Underruns in the amount of $353,160.44.

The Legislature finds that the appropriation of these funds represents a targeted economic and social stabilization package for the Commonwealth. By steering the $7.2 million identified in Governor's Communication (House) 24-212 directly into the Public School System (PSS), retiree benefits, Medicaid and the restoration of public work hours, the legislature is addressing the four most vulnerable pillars of the CNMI's frontline economy. First, Stabilizing the Public School System. Under Section 709, PSS was left with a budget shortfall for the final two quarters of the fiscal year. Appropriating these funds directly to education achieves two critical outcomes: Preventing an Educational Shutdown: Without this supplemental funding, PSS would be forced to aggressively truncate its school year or implement an alternative calendar that could compromise instructional hours and student achievement; and Securing Federal Grants: Many federal education grants require a "Maintenance of Effort" (MOE) or local matching funds. Injecting local revenues into PSS safeguards millions of dollars in matching federal funding that would otherwise be penalized or clawed back. Second, Protecting Retiree Benefits. Retirees are on fixed incomes and are the most exposed to inflationary pressures and rising healthcare costs during periods of government austerity. The appropriated funds will be retroactively applied thus ensuring that our retirees receive their full payment beginning in October and moving forward. Preserving their safety net by ensuring that pension payments, healthcare premiums, and promised benefits remain funded prevents an immediate spike in poverty among

our Manamko. In addition, it will have a direct economic multiplier as our Retirees spend their benefit checks almost entirely within the local economy on essential goods, groceries, and medical care. Ensuring their benefits are whole injects reliable, non-furloughable cash directly into local businesses. Third, we are actively restoring government working hours from 53 back up to 60 hours biweekly. The Legislature views this as a vital first milestone—a solid step forward that delivers immediate progress to our workforce. As we identify and unlock additional sources of revenue, our commitment remains absolute: we will continue to fully fund and expand these hours to build a stronger, more stable future for our public servants and their families. And lastly, funding the Commonwealth Medicaid Agency. Appropriating local matching funds to the Commonwealth Medicaid Agency provides an unmatched financial return for the CNMI's healthcare ecosystem: For every local dollar the CNMI allocates to Medicaid, the federal government matches it with a significantly higher percentage through the Federal Medical Assistance Percentage. Failing to fund CMA's local match would cause the Commonwealth to forfeit millions of dollars in federal healthcare subsidies. The Commonwealth Healthcare Corporation relies heavily on Medicaid reimbursements to cover its operating costs. Ensuring CMA has the necessary local funds allows it to pay CHCC and private providers promptly, preventing hospital cash-flow shortages, staffing cuts, or service reductions. Just as important is Protecting Frontline Patient Care. Medicaid serves the most financially vulnerable

segments of the CNMI population. Securing this funding ensures thousands of residents do not lose access to life-saving medical care, specialized off-island treatments, or essential prescription medications during a tight fiscal year. Lastly, the Legislature recognizes its obligation under 1 CMC § 8357(h) to provide annual funding for the special retirement annuities of eligible former Governors and Lieutenant Governors, separate from the Commonwealth's regular retirement fund contributions, and therefore appropriates $24,460 to fulfill this statutory obligation.

The purpose of this Act is to appropriate One Million, One Hundred Forty-Seven Thousand, One Hundred Thirteen Dollars ($1,147,113.00) allotted under 4 CMC §1402; Three Million, Two Hundred Nine Thousand, Twenty Eight Dollars and Fifteen Cents ($3,209,028.15) allotted under 3 CMC §2173; Two Million, Four Hundred Ninety-One Thousand, Nine Hundred Sixty-Three Dollars and Eighteen Cents ($2,491,963.18) from the FY2026 Excess Funds from the Medicaid Underruns; and Three Hundred Fifty-Three Thousand, One Hundred Sixty Dollars and Forty-Four Cents ($353,160.44) from the excess funds of the FEMA underruns; and for other purposes.

Section 2. Appropriation. Notwithstanding any provisions, statutes, laws or regulations to the contrary, the Legislature hereby appropriates One Million, One Hundred Forty-Seven Thousand, One Hundred Thirteen Dollars ($1,147,113.00) allotted under 4 CMC §1402; Three Million, Two Hundred Nine Thousand, Twenty Eight Dollars and Fifteen Cents ($3,209,028.15) allotted under 3 CMC §2173; Two

Million, Four Hundred Ninety-One Thousand, Nine Hundred Sixty-Three Dollars and Eighteen Cents ($2,491,963.18) from the FY2026 Excess Funds from the Medicaid Underruns; and Three Hundred Fifty-Three Thousand, One Hundred Sixty Dollars and Forty-Four Cents ($353,160.44) from the excess funds of the FEMA underruns as follows:

(a) Medicaid:	$868,927.00
(b) Retirees 25% Pension Benefit beginning retroactively from October 15th, 2026 moving forward:	$3,000,000.00
(c) Sixty (60) hours restoration beginning retroactively from October 1st, 2026 through the end of the first quarter of FY2027:	$1,384,384.00
(d) CNMI Public School System:	$1,923,493.77
(e) Governor and Lt. Governor's Annuity:	$24,460.00
SUBTOTAL:	**$7,201,264.77**

Section 3. Expenditure Authority.

(a) The expenditure authority of the funds under Section 2(a) of this Act shall be the Director of the Commonwealth Medicaid Agency;

(b) The expenditure authority of the funds under Section 2(b), 2(c), and 2(e) shall be the Secretary of the Department of Finance; and

(c) The expenditure authority of the funds under Section 2(d) shall be the Commissioner of the CNMI Public School System.

Section 4. Reprogramming. Notwithstanding any laws, provisions or regulations to the contrary, funds appropriated under this Act shall not be reprogrammed for any other purpose.

Section 5. Reporting. The expenditure authorities shall submit to the Speaker of the House of Representatives and the President of the Senate a detailed report showing the expenditure of the funds at the completion of appropriations in Section 2 of this Act.

Section 6. Severability. If any provisions 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 7. 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 the Act shall not have the effect of terminating, or in any way modifying, any liability, civil or criminal, which shall already be in existence on the date this Act becomes effective.

Section 8. Effective Date. This Act shall take effect upon its approval by the Governor, or it becoming law without such approval.

HOUSE BILL 24-115

Prefiled: 11/4/2026

Date: _____ Introduced by: _____
Rep. Blas Jonathan "BJ" T. Attao

Reviewed for legal sufficiency by:
_____
House Legal Counsel

Date: 11-6-26