The Honorable Oscar M. Babauta  
Speaker, House of Representatives  
Fifteenth Northern Marianas  
Commonwealth Legislature  
Saipan, MP 96950  

The Honorable Joseph M. Mendiola  
Senate President, The Senate  
Fifteenth Northern Marianas  
Commonwealth Legislature  
Saipan, MP 96950  

Dear Mr. Speaker and Mr. President:  

This is to inform you that I have signed into law House Bill No. 15-27, HD1, entitled, "To authorize the Northern Marianas College to establish the United States Registered Apprenticeship Training Program and to amend 3 CMC § 4424(c)(1); and for other purposes," which was passed by the Fifteenth Northern Marianas Commonwealth Legislature.  

I want to assure you that I fully support the legislation's focus on the need to increase the training opportunities for qualified local residents. Before signing the bill, I reviewed the comments submitted by three agencies, including the Office of the Attorney General and the Special Assistant for Management and Budget. These agencies advised me of some drafting and other problems regarding the proposed legislation, especially in the context of the financial problems currently facing the Commonwealth. I have instructed my Special Assistant for Programs and Legislative Review to make these comments available to you for your future consideration.  

This bill becomes Public Law No. 15-5. Copies bearing my signature are forwarded for your reference.  

Sincerely,  

[Signature]  

BENIGNO R. FITIAL  

Cc: Attorney General, Office of the Attorney General  
President, Northern Marianas College  
Secretary, Department of Finance  
Special Assistant for Management and Budget  
Secretary, Department of Labor  
Director of Personnel, Office of Personnel Management  
Executive Director, Civil Service Commission  
Executive Director, Commonwealth's Law Revision Commission  
Special Assistant for Programs and Legislative Review  

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HOUSE OF REPRESENTATIVES
FIFTEENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE
FIRST REGULAR SESSION, 2006

PUBLIC LAW NO. 15-5
H. B. No. 15-27, HD1

AN ACT

To authorize the Northern Marianas College to establish the United States Registered Apprenticeship Training Program and to amend 3 CMC § 4424(c)(1); and for other purposes.

In the HOUSE OF REPRESENTATIVES

Offered by Representatives: Justo S. Quitugua, Jacinta M. Kaipat, Jesus SN. Lizama, Arnold I. Palacios, Candido B. Taman, Ramon A. Tebuteb, and Manuel A. Tenorio

Date: January 18, 2006

Referred to: Committee on Health, Education, and Welfare
Public Hearing: None
Standing Committee Report No. 15-2

Passed First and Final Reading on February 28, 2006

In the SENATE

Referred to: None
Public Hearing: None
Standing Committee Report: None

Passed Final Reading on March 17, 2006

Evelyn C. Fleming, House Clerk
HOUSE OF REPRESENTATIVES
FIFTEENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE
FIRST REGULAR SESSION, 2006

PUBLIC LAW NO. 15-5
H. B. NO. 15-27, HD1

AN ACT

To authorize the Northern Marianas College to establish the United States Registered Apprenticeship Training Program and to amend 3 CMC § 4424(c)(1); and for other purposes.

BE IT ENACTED BY THE FIFTEENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE:

Section 1. Findings and Purpose. The Legislature finds that Public Law 3-66, as amended, the Nonresident Workers Act, was enacted almost 23 years ago on August 8, 1983. The Legislature also finds that at that time, the Third Legislature included within the public law three specific considerations through which it developed its policy statement regarding nonresident workers:

1. Commonwealth residents are given preference in employment.
2. Employment of nonresident workers should be temporary.
3. Implementation of this Act will generate more reliable data in which more specific labor policies can be developed.

The Legislature further finds that among the provisions of the Nonresident Workers Act was the establishment of a “Commonwealth Nonresident Worker Fee Fund” (“Fund”) to generate funds to train residents so that they can acquire the skills to replace nonresident workers in technical and professional fields. As such, the intent of the Fund was not realized in part because these funds were appropriated for other uses, as was verified by the Office of the Public Auditor (Report No. M-01-03). Thus, the Legislature also finds that this has contributed to the Commonwealth government’s lack of success in replacing nonresident workers with resident workers. In addition, the Legislature finds another impediment to replacing nonresident workers with resident workers is the low minimum wage of $3.05 per
hour in the CNMI; therefore, there is a need to increase the minimum wage for graduates of
the U.S. Apprenticeship program to further attract local residents into technical or skilled
occupations.

The Legislature also finds that although the Northern Marianas College does have an
apprenticeship program in place, the current program is not in the technical trade areas and is
not registered with the U.S. Department of Labor’s Bureau of Apprenticeship and Training.
Employers in the Commonwealth have expressed their need for certified, skilled workers and
have additionally expressed their preference to hire local workers rather than nonresident
workers. The Legislature therefore finds that the government will be able to increase the
confidence of the private sector in its ability to produce certified, skilled workers upon the
implementation of the U.S. Department of Labor’s Bureau of Apprenticeship and Training
program.

A fresh approach must be taken to developing a skilled local workforce. Therefore,
the purpose of this Act is to mandate that the Northern Marianas College focus on developing
a U.S. Registered Apprenticeship Training Program (technical trades). This program shall be
based on the U.S. Department of Labor’s Bureau of Apprenticeship and Training program
with the cooperation and collaboration of the Hawaii/Pacific office of the Bureau of
Apprenticeship and Training, Region VI, which has the responsibility of assisting in the
development of a skilled workforce in Hawaii and the insular countries of the Pacific through
apprenticeship.

Section 2. Amendment. Title 3, Section 4424 (c) of the Commonwealth Code is
hereby amended as follows:

“(c) All fees collected pursuant to subsection (a) of this section shall be
deposited into a special fund to be known as the “Commonwealth Nonresident
Worker Fee Fund”. The Secretary of the Department of Finance shall collect and
direct all funds received for the fund into four separate accounts as set forth in
subsection (1) below:

(1) All of the fees collected shall be reserved and placed as follows:
(i) The Northern Marianas College Human Resources and Business Development Account. An appropriation from this account shall be used only to fund business, tourism, industrial/technical, or professional programs conducted or sponsored by the Northern Marianas College.

(ii) Notwithstanding any other provision of law to the contrary, at least $1,500,000 shall be reserved in a separate Northern Marianas College Apprenticeship Program Account each fiscal year for a period of five years for the United States Registered Apprenticeship Training Program. These funds shall be deposited on a quarterly basis in the amount of no less than $350,000 per quarter. These funds shall be available without further legislative appropriation and are not subject to fiscal year limitations.

(A) These programs shall be administered and coordinated by the Northern Marianas College. The NMC shall not commingle funds derived from the Nonresident Worker Fee for the NMC Apprenticeship Program with other NMC funds.

(B) The president of the college shall have expenditure authority of these funds.

(iii) The amount of $75,000 shall be reserved for Tinian and $75,000 shall be reserved for Rota which shall be used for youth employment training programs on those islands. The mayors of Tinian and Rota shall have expenditure authority of these funds, and will, within 90 days after the end of each fiscal year, report to the Governor and the legislature on the expenditure of such funds.

(iv) The amount of $575,000 shall be reserved for the Department of Labor for use in enforcing the provisions of this chapter and to help meet the financial requirement and added workload created hereby.
Except as provided for under subsection (ii) of this section, funds reserved under this section shall require legislative appropriation annually, in addition, funds provided for in this subsection shall not be subject to reprogramming, and shall be available without fiscal year limitation.

(2) Prior to the end of the fiscal year, the Northern Marianas College shall submit an annual report to both houses of the legislature on details of the programs funded from the Human Resources and Business Development Account and from the NMC Apprenticeship Program Account.

(3) The Secretary of the Department of Finance shall report to the presiding officers of the legislature the total amount of collections deposited into the Commonwealth Nonresident Worker Fee Fund and the total amount deposited into each of the four accounts under subsection (c) on a quarterly basis."

Section 3. Authorization for a United States Registered Apprenticeship Program. The Northern Marianas College is hereby authorized to establish at the Saipan, Tinian, and Rota campuses, the United States Registered Apprenticeship Program based on the U.S. Department of Labor's Bureau of Apprenticeship and Training and under the auspices of the Hawaii/Pacific office of the Bureau of Apprenticeship and Training, Region VI. This program shall include the following requirements and conditions:

(1) Eligibility requirements:
   a. Must be a U.S. citizen.
   b. Must be a high school graduate.
   c. Non-U.S. citizens may be enrolled in the program subject to space availability and full payment of tuition and related fees.

(2) Enrollment limitations based on the availability of funds.

(3) All tuition and fees for students deemed eligible under this program shall be paid from the Northern Marianas College Program Apprenticeship Account, with a student stipend allowable based on availability of funds.
(4) Students certified under this program shall receive a salary of $1.00 an hour above the prevailing federal minimum wage.

Section 4. Implementation of the United States Registered Apprenticeship Program. The Northern Marianas College shall implement the U.S. Registered Apprenticeship Program six months after the effective date of this Act or earlier as determined by the Board of Regents and the NMC President. The NMC Apprenticeship Program shall be administered by an NMC Apprenticeship Program Administrator, as appointed by the NMC President in consultation with the Board of Regents, to manage and promote this program.

Section 5. Northern Marianas College Apprenticeship Program Account Established. The Secretary of the Department of Finance shall establish the Northern Marianas College Apprenticeship Program Account upon the effective date of this Act. In addition, upon the effective date of this Act, the Secretary shall transfer the initial $1,500,000 to assist in the implementation of the apprenticeship program. The NMC shall not use more than 50% of these funds for personnel costs.

Section 6. Collaboration with the Public School System Technical Education Program. The Northern Marianas College shall collaborate with the Public School System so that students of the PSS Technical Education Program established under Public Law 14-54 can progress towards certification under the United States Registered Apprenticeship Program that the NMC shall establish under this Act.

Section 7. Apprenticeship Advisory Committee. The Northern Marianas College is authorized to establish an Apprenticeship Advisory Committee for the United States Registered Apprenticeship Program. The committee shall be comprised of appropriate Northern Marianas College employees including instructors and program administrators. Representatives from the Saipan Chamber of Commerce, Hotel Association of the Northern Mariana Islands, the Saipan Rotary Club, the Department of Labor, the Workforce Investment Agency, appropriate Public School System employees including the PSS Technical Education Program administrator, and other similar organizations recognized by the NMC President shall also serve on and participate in the Committee and its meetings.
The primary duty of the committee is to identify needed skills, recommend apprenticeable occupations, and foster the commitment of private and public entities to work with and to promote the program. The committee shall establish its operational guidelines and meet at least on a quarterly basis. The committee shall be chaired by the NMC apprenticeship program administrator or designee.

Section 8. **NMC Apprenticeship Program Reauthorization.** The Northern Marianas College shall submit a comprehensive assessment report three months before the end of the fifth year of the implementation of the NMC Apprenticeship Program. A copy of the comprehensive assessment report shall be provided to the presiding officers of the Legislature and the Governor. Continuance of this program requires a reauthorization by the Legislature.

Section 9. **Scholarship.** Students in the NMC Apprentice Program shall be eligible for the CNMI Scholarship Program, Saipan Higher Education Financial Assistance (SHEFA), and the scholarship programs of the First and Second Senatorial Districts to pay for textbooks, tuition, a fixed stipend, room and board, other school fees and costs, and transportation.

Section 10. **Audit Required.** The Public Auditor shall conduct an annual audit of the NMC Apprenticeship Program Account. A copy of the audit shall be provided to the presiding officers of the Legislature and the Governor.

Section 11. **Amendment.** Title 3, Section 4413 of the Commonwealth Code is hereby amended as follows:

“§ 4413. **Nonresident Workers: Preference for Resident Workers.** Resident workers shall be given preference in employment in the Commonwealth. Nonresident workers shall be employed only as necessary to supplement the available labor force. No employer shall hire, employ, or otherwise engage for compensation any nonresident worker to perform services or labor in the Commonwealth except in strict accordance with the provisions of this chapter and any rule or regulation issued under this chapter. In addition, the Secretary of the Department of Labor shall not approve new job applications or renewal applications for nonresident workers with similar
occupations of students certified under the Northern Marianas College Apprenticeship Program."

Section 12. Severability. If any 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 13. 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 14. Effective Date. This Act shall take effect upon its approval by the Governor or becoming law without such approval.

CERTIFIED BY:  

OSCAR M. BABAUTA  
SPEAKER OF THE HOUSE

ATTESTED TO BY:  

EVELYN C. FLEMING  
HOUSE CLERK

APPROVED on this 10th day of APRIL, 2006

BENIGNO R. Fitial  
GOVERNOR  
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS