

I Mina "Trental Kadtro Na Libesaturan Gudhan
APPOINTMENTS

DOCUMENT NO.	APPOINTEE	POSITION	AGENCY	APPT. DATE	TERM LENGTH	CMTE REFERRED	DATE REFERRED	PUBLIC HEARING DATE	CMTE REPORT FILED	DATE CONFIRMED	NOTES
35GL-19-0306	Lester L. Carlson, Jr.	Director	Bureau of Budget and Management Research	3/29/19	To serve at the pleasure of the Governor	Committee on General Government Operations, Appropriations, and Housing	4/3/19	4/12/19 9:00 a.m.	4/22/19 3:34 p.m.		




SENATOR JOE S. SAN AGUSTIN

Chairman, Committee on General Government Operations, Appropriations and Housing
I Mina' trentai Singko na Liheslaturan Guahan Thirty-Fifth Guam Legislature

April 18, 2019

The Honorable Tina Muña Barnes
Speaker

I Mina' trentai Singko na Liheslaturan Guahan
Guam Congress Building
163 Chalan Santo Papa
Hagatna, Guam 96910

VIA: The Honorable Regine Biscoe Lee 
Chairperson, Committee on Rules

RE: Committee Report on Appointment of Lester L. Carlson, Jr. to serve as Director, Bureau of Budget and Management Research.

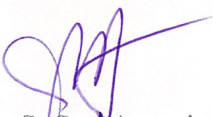
Hafa Adai Speaker Barnes:

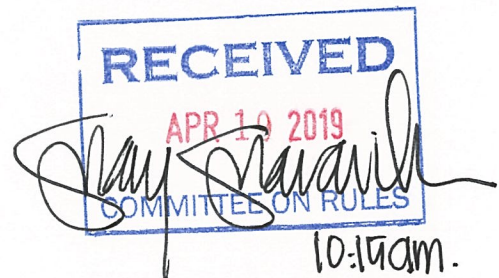
Transmitted herewith is the Committee Report on the appointment of **Lester L. Carlson, Jr** to serve as **Director, Bureau of Budget and Management Research.**

Committee votes are as follows:

- TO CONFIRM
- TO NOT CONFIRM
- TO REPORT OUT ONLY
- TO ABSTAIN
- TO PLACE IN INACTIVE FILE

Respectfully,


Joe S. San Agustin
Senator



2019 APR 22 PM 3:34



Office of

SENATOR Joe S. San Agustin

I Mina' trentai Singko na Liheslaturan Guåhan Thirty-Fifth Guam Legislature

COMMITTEE REPORT

Nomination of

LESTER L. CARLSON, JR.

Position: Director, Bureau of Budget and
Management Research

Term Length: To serve at the
pleasure of the Governor

Committee Chairman: General Government Operations, Appropriations, and Housing

*Ran - Care Commercial Building, CBU #230, 761 South Marine Corps Dr., Tamuning, Guam 96913
Tel: (671) 989-5445 * Fax: (671) 969-6737 * email: senatorjoessanagustin@gmail.com*



SENATOR JOE S. SAN AGUSTIN

Chairman, Committee on General Government Operations, Appropriations and Housing
I Mina' trentai Singko na Liheslaturan Guåhan Thirty-Fifth Guam Legislature

Date April 18, 2019

MEMORANDUM

To: All Members
Committee on General Government Operations, Appropriations and Housing

From: Senator Joe S. San Agustin
Committee Chairperson

Subject: Committee Report on the Appointment of Lester L. Carlson, Jr.

Transmitted herewith for your consideration is the Committee Report on the appointment of **Lester L. Carlson, Jr.** to serve as **Director, Bureau of Budget and Management Research.**

- Copy of the Appointment Letter to the Speaker
- Copy of the Appointment Packet & Supporting Documents
- Copy of COR Referral of the Appointment
- Notices of Public Hearing
- Copy of the Public Hearing Agenda
- Public Hearing Sign-in Sheet
- Copies of Submitted Testimony & Supporting Documents
- Related News Reports
- Committee Report Digest
- Committee Vote Sheet

Please take the appropriate action on the attached vote sheet. Your attention to this matter is greatly appreciated. Should you have any questions or concerns, please do not hesitate to contact me.

Si Yu'os ma'åse'!

SENATOR, Joe S. San Agustin
Chairman

Senator Amanda L. Shelton,
Vice Chairperson

Speaker Tina Rose Muña Barnes,
Member

Vice Speaker Telena Cruz Nelson,
Member

Senator Kelly Marsh (Taitano), Ph.D.,
Member

Senator Sabina Flores Perez
Member

Senator Clynton E. Ridgell
Member



COMMITTEE ON RULES
SENATOR RÉGINE BISCOE LEE, CHAIR
I MINA TRENDAI SINGKO NA LIHESLATURAN GUÅHAN
35TH GUAM LEGISLATURE

Senator Joe S. San Agustin,
Member

Senator Jose T. Terloje,
Member

Senator Therese M. Tertaje,
Member

Senator James C. Moylan,
Member

Senator Mary Camacho Torres,
Member and
Chair, Subcommittee on Protocol

April 3, 2019

MEMO

To: **Rennae Meno**
Clerk of the Legislature

Attorney Julian Aguon
Legislative Legal Counsel

From: **Senator Régine Biscoe Lee**
Chairperson, Committee on Rules

Re: **Referral of Appointment**

Buenas yan Háfa adai.

As Chairperson of the Committee on Rules, I am forwarding the referral of the following appointment:

Appointee: **Lester L. Carlson, Jr.**

Position: **Director, Bureau of Budget and Management Research**

Term Length: **To serve at the pleasure of the Governor**

The appointee's nomination packet may be referenced in the Guam Legislature's website at http://guamlegislature.com/35th_mess_comms.htm. Please refer to the following document:

"35GL-19-0306 - Office of the Governor of Guam - Appointment and Supporting Documents for Lester L. Carlson, Jr., Director, Bureau of Budget and Management Research."

Please ensure that the aforementioned appointment is referred to **Senator Joe S. San Agustin, Chairperson of the Committee on General Government Operations, Appropriations, and Housing.**

If you have any questions or concerns, please feel free to contact Mary Maravilla, Committee on Rules Director at 472-2461.

Thank you for your attention to this important matter.

Respectfully,


Senator Régine Biscoe Lee
Chairperson, Committee on Rules

UFISINAN I MAGA'HAGA
OFFICE OF THE GOVERNOR



LOURDES A. LEON GUERRERO
MAGA'HAGA • GOVERNOR

JOSHUA F. TENORIO
SIGUNDO MAGA'LÄHI • LIEUTENANT GOVERNOR

March 29, 2019

Honorable Tina Muna Barnes
Speaker
I Mina'trentai Singko Na Liheslaturan Guahan
Guam Congress Building
163 Chalan Santo Papa
Hagatna, Guam 96932

35GL-19-0306
Speaker Tina Rose Muña Barnes

APR 02 2019
Time 9:21 AM () PM
Received By: [Signature]

RE: Cabinet Appointment

Dear Madame Speaker:

By virtue of the authority vested in me pursuant to the Organic Act of Guam and the local laws applicable to the following position, I am pleased to transmit the following appointment and supporting documents for:

APPOINTEE: Lester L. Carlson, Jr.
POSITION: Director, Bureau of Budget and Management Research
TERM LENGTH: To serve at the pleasure of the Governor

2019 APR --2 AM 10:41 AM

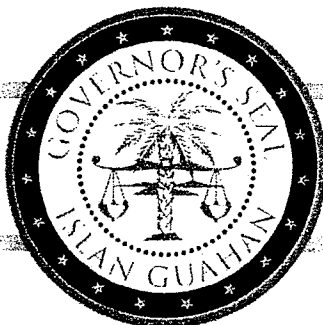
The appointment is subject to the consent of *I Liheslaturan Guahan*. Please schedule a hearing at your earliest convenience.

Senseramente,

LOURDES A. LEON GUERRERO
I Maga'hagan Guahan
Governor of Guam

cc: Lt. Governor of Guam

UFISINAN I MAGA'HAGA
OFFICE OF THE GOVERNOR



LOURDES A. LEON GUERRERO
MAGA'HAGA • GOVERNOR

JOSHUA F. TENORIO
SIGUNDO MAGALAHI • LIEUTENANT GOVERNOR

March 29, 2019

Lester L. Carlson, Jr.

Re: Appointment as Director, Bureau of Budget & Management Research

Dear Mr. Carlson:

Pursuant to my authority under 5 GCA § 1301, it is with pleasure that I appoint you

DIRECTOR OF THE BUREAU OF BUDGET AND MANAGEMENT RESEARCH

This appointment shall be for a term of

TO SERVE AT THE PLEASURE OF THE GOVERNOR

Appointing you to this position comes with great responsibility because you will have a vital role to perform which will place many demands on your time and energy. Integrity and honesty are virtues that I prioritize for my Administration to exemplify, and I know that you will do the same while in service to the people of Guam. Your responsibilities, as described throughout Guam law, shall be significant and consequential. I trust that you will fulfill your duties and set a standard for others to follow.

I appreciate your willingness to serve in this position, and I am confident that your time will be spent in a manner to improve the island of Guam.

This appointment is subject to the advice and consent of *I Liheslaturan Guåhan*.

Senseramente,

LOURDES A. LEON GUERRERO

I Maga'hagan Guåhan
Governor of Guam

cc: Lt. Governor of Guam

LOURDES A. LEON GUERRERO
Governor



JOSHUA F. TENORIO
Lieutenant Governor

OFFICE OF THE GOVERNOR OF GUAM
Nomination and Appointment Information Sheet

The following information is required for submission to the
Speaker of *I Liheslaturan Guåhan* in accordance with Title 4, Guam Code Annotated Section 2103

NOMINEE INFORMATION

Last Name CARLSON, JR.		First Name LESTER		Middle Initial L.	
Mailing Address [REDACTED]					Apartment/Unit #
City [REDACTED]		State [REDACTED]		Zip Code [REDACTED]	
Phone [REDACTED]		E-mail Address [REDACTED]			
Position to which Appointment is Made Director, Bureau of Budget & Management Research					
Are you a citizen of the United States? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>					
If no, are you authorized to work in the United States? Yes <input type="checkbox"/> No <input type="checkbox"/>					

EDUCATION

SCHOOL (Name, City and State)	DATES OF ATTENDANCE	TYPE OF DEGREE	YEAR EARNED
High School El Camino High School San Francisco, CA		High School Diploma	1977
College University of Guam Mangilao, Guam		BBA (Finance & Economics)	1991
Graduate School			
Other Degree			

EMPLOYMENT HISTORY

Name of Present/Last Employer and Mailing Address Bureau of Budget & Management Research P.O. Box 2950 Hagatna, Guam 96910	Position Title Deputy Director
	Dates Held 2015-2018 & 4/2019-Present

Previous Employer and Mailing Address Bureau of Budget & Management Research P.O. Box 2950 Hagatna, Guam 96910	Position Title Acting Director
	Dates Held 2017 - 2019

Previous Employer and Mailing Address Guam Economic Development Authority 590 S Marine Corps Dr. ITC Building, Suite 511 Tamuning, Guam 96913	Position Title Public Finance Manager
	Dates Held 2008 - 2015

Previous Employer and Mailing Address Guam Legislature Government of Guam	Position Title Fiscal Policy Analyst
	Dates Held 2006 - 2008

Previous Employer and Mailing Address	Position Title
	Dates Held

PRIOR GOVERNMENT OF GUAM SERVICE

Agency or Department Name		Position Title
Address	Phone No.	Dates Held

Agency or Department Name		Position Title
Address	Phone No.	Dates Held

PRIOR GOVERNMENT SERVICE (EXCLUDING GOVERNMENT OF GUAM)

<i>Agency or Department Name</i>		<i>Position Title</i>	
<i>Address</i>	<i>Phone No.</i>	<i>Dates Held</i>	

<i>Agency or Department Name</i>		<i>Position Title</i>	
<i>Address</i>	<i>Phone No.</i>	<i>Dates Held</i>	

TRAINING

<i>INSTITUTE/SEMINARS/ON-THE-JOB TRAINING</i>	<i>DATE</i>
California Debt & Investment Council	2002
Sexual Harassment Workshop	2002
Who Moved My Cheese Workshop	2001
American Management Assoc. / Proj. Mgmt. Course	1994

AWARDS

<i>List all educational, professional, civic awards, and recognition for public service:</i>
2000 - GEDA Board of Director Resolution, 01-39C, Exemplary Achievements and Efforts 1999 - Governor's EXCEL Award, Unit of the Year, BRA 1999 - GEDA Outstanding Personnel Evaluation Recipient 1998 - GEDA Outstanding Personnel Evaluation Recipient 1997 - Governor's EXCEL Award, Department of the Year, GEDA 1995 - Merit Award, GEDA 1994 - Merit Award, GEDA 1993 - Letter of Appreciation from Administrator, Airline Foreclosure Activities

PROFESSIONAL INVOLVEMENT

<i>List involvement on a local/national/international level. List organizations, activities participated in, and offices held:</i>

COMMUNITY / CIVIC INVOLVEMENT

List organizations, activities participated in, and offices held:

Community Co-Chair, BRAC Restoration Advisory Board
President, Parish Council, Santa Teresita Catholic Church, Mangilao, Guam
Member, Restoration Advisory Board, BRAC '95
Chairman, Intercollegiate Athletic Council, University of Guam

PUBLICATIONS AND PRESENTATIONS

List any published articles, papers delivered at professional meetings, etc.:

MILITARY SERVICE (Please attach Form DD-214)

BRANCH	DATES OF SERVICE	RANK AT DISCHARGE	TYPE OF DISCHARGE

OTHER INFORMATION

(1) Have you ever been found guilty of a felony in any court, whether within or without the United States?

Yes No If so, please specify in detail: _____

Address of the Court: _____

Date(s) of Conviction: _____

Specific Infraction Committed: _____

(2) Have you ever been declared mentally incompetent by any court, whether within or without the United States?

Yes No If so, please specify in detail the reasons and facts related to such declaration:

(3) Have you ever been found not guilty or not punishable in any criminal proceedings by reason of insanity?

Yes No

(4) Have you ever been confined to a mental institution for any reason?

Yes No If so, please specify in why the appointing authority believes you that you are not suffering from any mental illness or affliction:

LOURDES A. LEON GUERRERO
Governor

JOSHUA F. TENORIO
Lieutenant Governor



OFFICE OF THE GOVERNOR OF GUAM

Statement of Financial Interests

(Required by 4 G.C.A. §13104.1)

TO: The Honorable Lourdes A. Leon Guerrero
Governor of Guam
Ricardo J. Bordallo Governor's Complex
Adelup, Guam 96910

FROM: LESTER L. CARLSON, JR.

I have no financial interest in any business

I do have interest(s) in the following business(es):

NAME AND ADDRESS OF BUSINESS INTEREST	TYPE AND AMOUNT OF INTEREST

Signature

Date 3/29/19

AFFIDAVIT / DECLARATION UNDER PENALTY OF PERJURY

I, the undersigned, do hereby depose and say that: (1) I have read and reviewed the information contained in the attached Appointment/Nomination letter from the Governor of Guam; (2) that the matters contained in the Appointment/Nomination letter, together with all attachments thereto, are true and correct and that I am competent to testify to said matters; and (3) that this Declaration is made for the purpose of complying with the requirements of 4 G.C.A. Section 2103.5.

I declare under penalty of perjury under the laws of Guam (4 G.C.A. Section 4308) that the foregoing is true and correct.

LESTER L. CARLSON, JR.

Print Name and Signature

3-29-19

Date



Government of Guam
GUAM POLICE DEPARTMENT
RECORDS & IDENTIFICATION SECTION
P.O. Box 23909
Guam Main Facility, Guam 96921



February 7, 2019

SUBJECT: CRIMINAL HISTORY RECORD

NAME:	Lester L. CARLSON JR		
DATE OF BIRTH:	██████████	FINGERPRINT#:	██████████
■	The individual has no record of criminal conviction(s) in GPD files that are subject to Guam law and rules and regulations of the Department.		

*****NOTHING FOLLOWS*****

THIS INFORMATION MAY BE LIMITED TO A LOCAL CRIMINAL OFFENSE ONLY AND IS NOT INTENDED FOR USE FOR ANY LOCAL, STATE, OR FEDERAL LAW ENFORCEMENT AGENCY.

By Direction: angela

STEPHEN C. IGNACIO
Acting Chief of Police

The absence of an original GUAM POLICE seal invalidates this police clearance.
REVISED 01/06/19



SUPERIOR COURT OF GUAM

Guam Judicial Center • 120 West O'Brien Drive • Hagatña, Guam 96910

Telephone (671) 475-3370/475-3449

Fax (671) 472-2856

DANIELLE T. ROSETE
Clerk of Court

Name: LESTER L. CARLSON JR.

SS#: ID# [REDACTED] Date of Birth: [REDACTED]

CERTIFICATE OF SEARCH

The undersigned Clerk hereby certifies the following results of a diligent search of the records of this Court:

Criminal Cases:

- A. No Case Found
- B. 1. Criminal Case No.
- 2. Criminal Case No.
- 3. Criminal Case No.
- 4. Criminal Case No.
- 5. Criminal Case No.

Criminal Record: Page 1 of 1

Civil Cases:

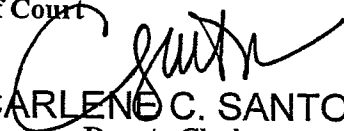
- A. No Case Found
- B. 1. Civil Case No.
- 2. Civil Case No.
- 3. Civil Case No.
- 4. Civil Case No.
- 5. Civil Case No.

Civil Record: Page 1 of 1

Request for further information may be addressed at the Records Division of the Superior Court of Guam, Guam Judicial Center, 120 West O'Brien Drive, Hagatña, Guam. Hours of operation are Monday – Friday, 8:00 a.m. to 5:00 p.m. Closed Saturday, Sunday and local/federal holidays. Court Clearances are Non-Refundable.

Dated: 03/19/2019

DANIELLE T. ROSETE
Clerk of Court

BY: 
CARLENE C. SANTOS
Deputy Clerk

Prepared By: ICT



The absence of an original Court Seal invalidates this document



Catherine Leon Guerrero <cathy.senatorsa@gmail.com>

FIRST NOTICE of Public Hearing on Friday, 12 April 2019

1 message

Rose Mesa <rose.senatorsa@gmail.com>

Thu, Apr 4, 2019 at 8:46 AM

To: phnotice@guamlegislature.org

Cc: Management Information System <mis@guamlegislature.org>, Tom Unsiog <sgtarms@guamlegislature.org>, Joe San Agustin <protocol@guamlegislature.org>

Bcc: cathy.senatorsa@gmail.com

4 April 2019

MEMORANDUM

To: ALL HONORABLE Senators / Members and Media

From: Senator Joe S. San Agustin, Chairman

Subject: FIRST NOTICE of Public Hearing on **Friday, 12 April 2019*****Buenas yan Håfa Adai!***

In accordance with the Open Government Law, relative to notices for public meetings, please be advised that the Committee on General Government Operations, Appropriations, and Housing will convene a public hearing on **Friday, 12 April 2019, beginning at 9:00 am** in *I Liheslaturan Guåhan's* Public Hearing Room (Guam Congress Building, Hagåtña). The Committee will hear and accept testimonies on the:

Referral of Appointment of Lester L. Carlson, Jr.; Position: Director, Bureau of Budget and Management Research; Term Length – At the pleasure of the Governor

Referral of Appointment of Doris Flores Brooks; Position: Member, Board of Trustees, Government of Guam Retirement; Term Length – Five (5) Years

Individuals who wish to submit written testimony may address Senator Joe S. San Agustin, and send it within forty-eight (48) hours to:

- Hand delivery to the Office of Senator Joe S. San Agustin at the Ran Care Building, 2nd Floor Suite 3 (CBU#203), 761 South Marine Drive, Tamuning, Guam 96931
- Email: senatorjoessanagustin@gmail.com

All government activities, programs, and services are accessible for people with disabilities in compliance with the Title II of the American with Disabilities Act (ADA). Should you or interested parties require assistance or special accommodations to fully participate in this public hearing, please contact our office at 989-5445 or via email at senatorjoessanagustin@gmail.com .

UN DÅNGKOLO NA SI YU'OS MA'ÅSE'

Very Respectfully,

RoseMarie T. Mesa

Office Manager

***I Mina'trentai Singko na Liheslaturan Guåhan
(Thirty-Fifth Guam Legislature)***

Senator Joe S. San Agustin

***Committee on General Government Operations,
Appropriations, and Housing***

Office: 671-989-5445

Email: rose.senatorsa@gmail.com



SECOND NOTICE of Public Hearing on Friday,12 April 2019

2 messages

Rose Mesa <rose.senatorsa@gmail.com>

Tue, Apr 9, 2019 at 9:47 AM

To: phnotice@guamlegislature.org

Cc: Management Information System <mis@guamlegislature.org>, Tom Unsiog <sgtarms@guamlegislature.org>, Joe San Agustin <protocol@guamlegislature.org>

9 April 2019

MEMORANDUM

To: ALL HONORABLE Senators / Members and Media

From: Senator Joe S. San Agustin, Chairman

Subject: SECOND NOTICE of Public Hearing on **Friday,12 April 2019**

Buenas yan Håfa Adai!

In accordance with the Open Government Law, relative to notices for public meetings, please be advised that the Committee on General Government Operations, Appropriations, and Housing will convene a public hearing on **Friday, 12 April 2019, beginning at 9:00 am** in *I Liheslaturan Guåhan*'s Public Hearing Room (Guam Congress Building, Hagåtña). The Committee will hear and accept testimonies on the:

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UN DÅNGKOLO NA SI YU'OS MA'ÅSE'

Very Respectfully,

RoseMarie T. Mesa



Joe S. San Agustin <senatorjoessanagustin@gmail.com>

CHANGE 1: SECOND NOTICE of Public Hearing on Friday, 12 April 2019

1 message

Rose Mesa <rose.sensorsa@gmail.com>

11 April 2019 at 08:30

To: phnotice@guamlegislature.org

Cc: Management Information System <mis@guamlegislature.org>, Tom Unsiog <sgtarms@guamlegislature.org>, Joe San Agustin <protocol@guamlegislature.org>

11 April 2019

MEMORANDUM

To: ALL HONORABLE Senators / Members and Media

From: Senator Joe S. San Agustin, Chairman

Subject: CHANGE 1: SECOND NOTICE of Public Hearing on **Friday, 12 April 2019**

Buenas yan Håfa Adai!

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~~**Referral of Appointment** of Doris Flores Brooks; Position: Member, Board of Trustees, Government of Guam Retirement; Term Length – Five (5) Years~~

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UN DÅNGKOLO NA SI YU'OS MA'ÅSE'

Very Respectfully,

RoseMarie T. Mesa

Office Manager

I Mina'trentai Singko na Liheslaturan Guåhan

(Thirty-Fifth Guam Legislature)

Senator Joe S. San Agustin

Committee on General Government Operations,

Appropriations, and Housing

Office: 671-989-5445

Email: rose.sensorsa@gmail.com

I Mina'trentai Singko Na Liheslaturan Guåhan

PH NOTICE LISTSERV

phnotice@guamlegislature.org

30thguamyouthcongress@gmail.com	lifestyleeditor@glimpsesofiguam.com
action@weareguahan.com	liz.senatorsa@gmail.com
admin2@guamrealtors.com	ljalcairo@gmail.com
admin@bbmr.guam.gov	llewelyn.senatorsa@gmail.com
admin@guamrealtors.com	llmatthews@guampdn.com
admin@weareguahan.com	lorenzo.senatorsa@gmail.com
adrian.cruz@guam.gov	lorilee.crisostomo@energy.guam.gov
agusto.aflague@gmail.com	louise.atalig@gmail.com
am800guam@gmail.com	m.salaila@yahoo.com
amcborja@gmail.com	mabuhaynews@yahoo.com
angela@senatorjpterlaje.com	mahoquinene@guam.net
ariana.villaverde@guam.gov	makepeacemattthew@gmail.com
artemiorh@gmail.com	malainse@gmail.com
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ataligba@gmail.com	martavictoriapalmertree@gmail.com
benito.servino@disid.guam.gov	marycamachotorres@gmail.com
bernice.rivera@guamlegislature.org	marycamachotorres@outlook.com
bertha.duenas@guam.gov	maryfejeran@gmail.com
bill.taitingfong@bbmr.guam.gov	marym@guamlegislature.org
bina@ghra.org	matt.sablan@agriculture.guam.gov
bmkelman@guampdn.com	
bshringi@moylans.net	mcarlson@guamlegislature.org
businesseditor@glimpsesofiguam.com	mcbordallo@guamwaterworks.org
bwloc.senatorlee@gmail.com	mcogadmin@teleguam.net
carlo.branch@gmail.com	McPherson.Kathryn@abc.net.au
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cathy.senatorsa@gmail.com	melinda.sanchez@guam.gov
ccastro@guamchamber.com.gu	melvin.tabilas@guam.gov
ccharfauros@guamag.org	michael.borja@land.guam.gov
cepeda.alanj@gmail.com	michael.senatorsa@gmail.com
cfvalencia@guamlegislature.org	michael.weakley@guam.gov
cgogue@guampdsc.net	mis@guamlegislature.org
charlene@senatorperez.org	mjduenas@ghura.org
cheryl@senatormuna.com	mlwheeler2000@yahoo.com
chirag.speakertmb@gmail.com	mohernande@guampdn.com
chris@senatorjpterlaje.com	monty.mcdowell@amiguam.com
christine.quinata@takecareasia.com	mwatanabe@guampdn.com
cierra.senatorlee@gmail.com	natasha@toduguam.com
claudia.acfalle@gsa.guam.gov	nathan.denight@visitguam.org

I Mina'trentai Singko Na Liheslaturan Guåhan

PH NOTICE LISTSERV

phnotice@guamlegislature.org

clerks@guamlegislature.org	neil@postguam.com
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clyntridgellforsenator@gmail.com	news@spbguam.com
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Updated as of 3.11.19



Office of

SENATOR Joe S. San Agustin

I Mina' trentai Singko na Liheslaturan Guåhan Thirty-Fifth Guam Legislature

PUBLIC HEARING

Friday, April 12, 2019

Guam Congress Building Public Hearing Room

AGENDA

@9:00AM

- **REFERRAL OF APPOINTMENT OF LESTER L. CARLSON, JR. FOR DIRECTOR, OF BUREAU OF BUDGET AND MANAGEMENT RESEARCH; TERM LENGTH – AT THE PLEASURE OF THE GOVERNOR.**

In compliance with the Americans with Disabilities Act, individuals requiring special accommodations or services or for further information, please call the Committee on Education, Finance and Taxation at 989-5445 or email at senatorjoessanagustin@gmail.com

UN DANGKOLO NA SI YU'OS MA'ASE'

Committee Chairman: General Government Operations, Appropriations, and Housing

*Ran - Care Commercial Building, CBU #230, 761 South Marine Corps Dr., Tamuning, Guam 96913
Tel: (671) 989-5445 * Fax: (671) 969-6737 * email: senatorjoessanagustin@gmail.com*



Office of

SENATOR Joe S. San Agustin

I Mina' trentai Singko na Liheslaturan Guåhan Thirty-Fifth Guam Legislature

Public Hearing Sign-in Sheet
 April 12, 2019 • @9:00am • Guam Congress Building
 Appointment – Lester L. Carlson, Jr.
 Director, Bureau of Budget and Management Research
 Term Length – To serve at the pleasure of the Governor

NAME	AGENCY OR ORGANIZATION (IF ANY)	SUPPORT? OPPOSE?	WRITTEN TESTIMONY	ORAL TESTIMONY	CONTACT NUMBER	EMAIL ADDRESS
Joaquin Tayum		Support				
M. Dine Delacruz		Support				
Jeff Cruz		Support				
Lisa Lopez		Support				
ROBERTO Cruz		Support				
DOMINGO OSO		Support				
Michael Sator II		Support				
BILL ROBERTO		Support				
RICHARD JOHNSON		Support				
ART DULLA		Support				
THEODORE PEREDA		OH YES				
Joseph Mendola		Support				
Rafael Ador		Support				
CHRISTINE SIGAROT		SUPPORT				
Tim ...		Support				
John Evangelich	Guam CUP II NORR-OLE	Support		X	(889-3000)	

Page 1 of 3

Committee Chairman on General Government Operations, Appropriations, and Housing
 Ran - Care Commercial Building, CBU #230, 761 South Marine Corps Dr., Tamuning, Guam 96913
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Office of

SENATOR Joe S. San Agustin

I Mina' trentai Singko na Liheslaturan Guahan Thirty-Fifth Guam Legislature

Public Hearing Sign-in Sheet
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NAME	AGENCY OR ORGANIZATION (IF ANY)	SUPPORT? OPPOSE?	WRITTEN TESTIMONY	ORAL TESTIMONY	CONTACT NUMBER	EMAIL ADDRESS
MICHAEL TOPASNA		SUPPORT				
EDWARD BERN	DOA	Support	✓	✓	489-3323	
Kearla Yeaves		Support				
Mittay moringa		Support	✓	✓	687-6668	
Helen Pangelinan						
Krystea Carlson		support				
A. Yamochita		✓	✓			
MA. VICTORIA G. BORTA		✓			483-8000	
Lester Carlson	BBMR	Support	✓	✓		
Tasha Buzza	BBMR	support				
Analya Kuyel	BBMR	Support				



Office of

SENATOR Joe S. San Agustin

I Mina' trentai Singko na Liheslaturan Guåhan Thirty-Fifth Guam Legislature

Public Hearing Sign-in Sheet
 April 12, 2019 • @9:00am • Guam Congress Building
 Appointment – Lester L. Carlson, Jr.
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 Term Length – To serve at the pleasure of the Governor

NAME	AGENCY OR ORGANIZATION (IF ANY)	SUPPORT? OPPOSE?	WRITTEN TESTIMONY	ORAL TESTIMONY	CONTACT NUMBER	EMAIL ADDRESS
Johanna Bal	BBMR	Support	NO	NO		
KOLEENA DATU	BBMR	SUPPORT	NO	NO		
Joaquin Guerrero	BBMR	support	NO	NO		
GERARD PAREDES	BBMR	SUPPORT	NO	NO		
CHRIS TAVES	COEDA	Support	✓	✓		
MIKE CAIR	"	"	✓	✓		
Lydia Jesus	DPASS	"				
Mark S. Sula	SPPC	Support				
Peter Santos	CULVOS	Support				



BUREAU OF BUDGET & MANAGEMENT RESEARCH

OFFICE OF THE GOVERNOR
Post Office Box 2950, Hagåtña Guam 96932

LOURDES A. LEON GUERRERO
GOVERNOR

LESTER L. CARLSON, JR.
DEPUTY DIRECTOR

JOSHUA F. TENORIO
LIEUTENANT GOVERNOR

APR 12 2019

The Honorable Joe S. San Agustin
Chairman
Committee on General Government Operations,
Appropriations, and Housing
I Mina'trentai Singko na Liheslaturan Guåhan
Ran Care Building
Suite #203
Tamuning, Guam 96931

Hafa Adai Senator San Agustin and Members of the Committee on General Government Operations, Appropriations, and Housing.

For the record, my name is Lester Lennart Carlson, Jr., and I currently serve as the Deputy Director of the Bureau of Budget and Management Research (BBMR). I present myself before this body today in furtherance of my Nomination by Governor Lourdes Leon Guerrero to Serve as the Director of BBMR. I am truly honored at the trust and confidence Governor Leon Guerrero has in me to take the helm, officially, as the BBMR Director.

If I may Mr. Chairman, there are a number of family members, friends and people very dear to me that I would like to acknowledge before I begin my testimony. Without the love and support of people who have collectively contributed to shaping my life, I truly would not be here before you and the Committee today.

Thank you for that opportunity Mr. Chairman.

I have been with BBMR since February of 2015, serving as the Deputy Director along with several appointments in an Acting capacity as Director. I have lead BBMR since May of 2017 after the retirement of former BBMR Director Jose Calvo. So effectively, I have managed BBMR for almost two years.

During this time I have worked with the Legislature in finalizing the Fiscal Year 2018 Budget, the Fiscal Year 2019 Budget and just this past Monday, BBMR, on behalf of Governor Leon Guerrero, submitted the Executive Budget Request for Fiscal Year 2020.

Over the past three years I have strived to be more responsive to the needs of the Legislature, specifically with respect to making myself available to Senators and staff to discuss policy ideas and any number of associated inquiries. This interaction with the Legislature extends to the timely submission of Fiscal Notes which accompany each piece of proposed policy introduced by members of this body. I have asked my staff to work on Fiscal Notes upon introduction of each Bill in order to try to stay ahead of this process. BBMR's work on Fiscal Notes demonstrates the intellect and dedication to service of our island community which BBMR, from top to bottom, brings each and every day. To each and every one of my staff at BBMR, both past and present, I thank you for your devotion to duty and professionalism.

As a direct result of the Tax Cuts and Jobs Act of 2017 (TCJA), the Government of Guam faced a midyear fiscal awakening which had a sudden and adverse impact of FY 2018 adopted tax revenues. BBMR took the lead in submitting to the 34th Guam Legislature a Fiscal Realignment Plan, in Bill form, which addressed increases in revenues and cuts to spending in order to avoid the inability of the Government to provide the basic services necessary and expected by our community. The impact of the TCJA also resulted in Standard and Poor's and Moody's placing our General Obligation and Revenue Bonds on Credit Watch with a Negative Outlook. The foundation of the Fiscal Realignment Plan served as the foundation for the passage of the Fiscal 2019 Budget. These extended measures were, without a doubt, the primary factor in both Standard and Poor's and Moody's subsequently removing our Bonds from Credit Watch.

More recently, BBMR issued a Memorandum on January 2, 2019, placing over \$9 M in Territorial Education Facilities Fund adopted revenues into Reserve as a result of the Veto of Bill 373-34 which sought to address the \$1 M "or more" increase in property taxes contained in the Fiscal Year 2019 Budget. BBMR, working hand in hand with the Department of Administration, initiated this action in order to ensure fiscal discipline was maintained from both a budget allocation and a cash disbursement perspective.

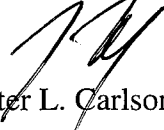
I possess a wealth of institutional knowledge in public finance, having been involved in just about every financing, whether it be a loan or a bond, since 2000. My degree in Finance and Economics from the University of Guam prepared me very well to lead these legislatively authorized financings over the years, with a focus of always seeking the best terms in the interest of the People of Guam.

I continue to provide guidance and input on economic diversity and tourism expansion via participation in a variety of working groups and I am a steadfast advocate the promotion of Guam's economy as a means to enhance the quality of life for our friends and family both on Guam and in the Micronesian region.

Mr. Chairman and Members of the Committee, I am committed to assisting Governor Leon Guerrero and Lt. Governor Tenorio's vision to achieve fiscal stability, effectuating meaningful changes in the advancement of education, healthcare, public safety, job creation, infrastructure improvement and economic expansion in order to provide a brighter future for our families.

Thank you for the opportunity to testify before you today, I am available to answer any questions the Committee has relative to my nomination to the position of Director, Bureau of Budget and Management Research.

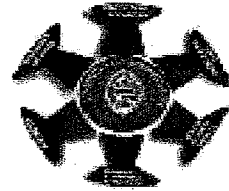
Senseramente,


Lester L. Carlson, Jr



Lourdes A. Leon Guerrero
Governor
Joshua Tenorio
Lieutenant Governor

DEPARTMENT OF ADMINISTRATION
(DIPATTAMENTON ATMENESTRASION)
DIRECTOR'S OFFICE
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Edward M. Birn
Director
Edith C. Pangelinan
Deputy Director

April 10, 2019

Senator Joe S. San Agustin
Chairman, Committee on General Government Operations, Appropriations & Housing
I Mina'Trentai Singko Na Liheslaturan Guahan
35th Guam Legislature
761 South Marine Corps Drive
Ran Care Building, Suite 3
Tamuning, Guam 96913

Buenas yan Hafa Adai!

My name is Edward Birn, Director of the Department of Administration. I am appearing before you today to offer testimony in support of Mr. Lester L. Carlson, Jr's nomination to the position of Director for the Bureau of Budget and Management Research.

I have had the honor of working with Lester since I became Director at DOA in February 2018. The budget hearings which followed the enactment of the Tax Cuts and Job Act required information from the both of us regarding the effect on the budget and cash flows and I quickly gained a great respect for his ability to understand and explain a difficult fiscal matter so that everyone could appreciate it.

Lester's experience both in budgeting and in public finance is invaluable to the smooth ^{handling} ~~managing~~ of the fiscal sector of any administration and by confirming him as Director of BBMR, this Legislature can be assured that the complex budget process and the control of costs which a budget director must manage is in good hands.

Controlling costs is a task which is carried out by a budget manager and a financial executive within their fiscal disciplines. Lester is highly skilled at his work. He can make an agency director who has just suffered a stringent budget reduction feel as though he or she has just won the lottery. All this cost control and budget formation is performed with unfailing courtesy and thorough professionalism.

Lester's experience in public financial operations is an asset to any administration. Governor Leon Guerrero chose to reappoint him to BBMR so that his experience and expertise can continue to be useful to her administration. I would commend his appointment to the Legislature. I will look forward to working with him again should the Legislature choose to confirm his nomination, and hoping it will be in his favor.

Senseramente,

EDWARD M. BIRN
Director, Department of Administration

April 11, 2019

HAF A ADAI MR. CHAIRMAN AND COMMITTEE MEMBERS!

My name is Mike Carlson and I am submitting written testimony in favor of the nomination of Mr. Lester L. Carlson, Jr. to be the next Director of the Bureau of Budget and Management Research (BBMR). And yes, for the record, he is my brother...

Many of the senators present today have not sat in on a confirmation hearing for this particular position, so please allow me to provide some context on the type of experience and qualifications a person vying for this position should demonstrate and possess.

BBMR, as former Speaker BJ Cruz was want to opine, is THE super agency in the government of Guam. Certainly this is true when it comes to the line agencies, but BBMR also plays a major role in carrying out the platform of the sitting governor, and that includes any interaction with the semi-autonomous and autonomous agencies. It formulates the annual executive budget request, defends the ceilings for each agency and department subject to its allotment control, and executes the approved budgets during the course of the fiscal year.

In the preparation of the myriad reports for managing the government's finances, BBMR collaborates with the Departments of Administration and Revenue and Taxation in acquiring and aggregating financial data, forecasting and tracking revenue collections, planning timely expenditure of funds as approved in the annual budget act, and making adjustments to spending levels as necessary to match revenue. By now some of you freshman senators have heard the acronym "CRER" or the "Consolidated Revenue and Expenditure Report".

At times an agency may come before this Legislature requesting approval of a plan to finance all or a portion of its operations and/or its capital improvement projects. Regardless of that requesting party being a line agency, semi-autonomous or an autonomous entity, BBMR is tasked with analyzing the impact such a request may have on government operations, and most importantly its revenue collections. A green light from BBMR is a given before that requesting agency can make its first overtures to the Legislature. And, after all of the discussion has taken place and the request has been enacted into law,

BBMR is tasked once again as part of the Government's fiscal team to sell Guam bonds at the best rates it can solicit, or negotiate the best possible terms with a local lending institution.

As part and parcel of the Legislature's process to enact policy and appropriate funds, BBMR receives requests from the Committee on Rules to prepare fiscal notes on each bill introduced, including the occasional fiscal waiver. And, on occasion, BBMR will provide testimony on bills that impact the government's fiscal situation.

In summary, a person nominated as BBMR Director must have experience in preparing, defending and executing the annual budget request for the Executive branch. The BBMR Director is expected to play a major role in designing the fiscal plan supporting any borrowing, especially so when it includes the sale of bonds. Knowledge of the options available and the players who act as bond counsel, underwriters and trustees is always a PLUS! Interacting with the Legislature as a body, and with individual senators, on bills under discussion makes it imperative the BBMR Director is attentive and responsive to requests from A to Z. And most importantly, the BBMR Director MUST have the trust of the *Maga' Haga* to carry out the administration's fiscal policies.

It is my testimony that the nominee checks ALL of these boxes and should be worthy of your trust and confidence to be the next BBMR Director!

SI YU'US MA'ASE!


MICHAEL D. CARLSON

Tammy Amuan
Budget & Management Analyst II
Bureau of Budget and Management Research (BBMR)
(671) 475-9412/9429 ext 404

04/04/2019

I submit this testimony in support of the Confirmation of my boss Mr. Lester L. Carlson, Jr. as the Director of the BBMR.

I am not privy to Mr. Carlson's education, expertise or prior work experience, but what I do know from working with him is his strong work ethic and keen observation. He has proven to be a very practical, focused, reliable, poised, and detail-oriented individual. He is a man of few words but is nonetheless cunningly skilled at dialoguing with an arsenal of data he always seems to have in the ready-position. His off-the-cuff speaking style enables him to engage his audience early on whilst he systematically delivers a wealth of valuable, critical information.

In response to the federal Tax Cuts & Jobs Act of 2017 (TCJA), Mr. Carlson played a key role in his capacity as a government official when the executive branch and its fiscal teams announced early in the month of January 2017 that, bar any preemptive efforts, the TCJA had the potential to severely, negatively impact Guam's general fund revenues. Through his involvement, Mr. Carlson helped to facilitate the successful and immediate organization, planning, management, and ultimate deployment of the Fiscal Realignment Plans disseminated to each government of Guam agency which, in my opinion, was pivotal to eluding what could have become fiscal dire straits for the government of Guam.

From my working experience with Mr. Carlson, I've learned that, as government of Guam employees, we should endeavor to leave behind a legacy we can be proud of, continue to raise the standard of excellence for ourselves, and be humbled by the thought that what we do and what we concern ourselves with today may continue to affect our island and our people well into the future.

April 12, 2019

Senator Joe S. San Agustin
Chairman
Committee on General Government Operations, Appropriations and Housing
I Mina'trentai Singko Na Liheslaturan Guåhan
Ran Care Bldg., CBU 203
761 S. Marine Corps Drive
Tamuning, Guam 96931

RE: Testimony in Support of the Confirmation of Lester L. Carlson, Jr. as Director,
Bureau of Budget and Management Research

Hafa Adai Mr. Chairman and Members of the Committee:

We are submitting this testimony in support of the confirmation of Mr. Lester L. Carlson, Jr. to the position of Director, Bureau of Budget and Management Research (BBMR). We have had a professional relationship with Mr. Carlson since 1995 when we worked together under the direction of former Speaker Joe T. San Agustin who at that time was the Base Realignment and Closure (BRAC) Administrator. We also worked alongside Mr. Carlson during his tenure at the Guam Economic Development Authority (GEDA). We are sure that former GEDA Administrators and former BRAC Administrator, Speaker Joe T. would concur with our assessment that Mr. Carlson has the experience, skill, capacity and leadership ability to effectively carry out policies and programs of BBMR, the Governor and the Legislature. In our collective view, Mr. Carlson is by far one of the most intelligent and capable employees in the Government of Guam today who would be qualified to lead almost any agency.

Many on island may not know this but it was Mr. Carlson who offered the idea of utilizing federal law to Guam's advantage by recommending the transfer of excess federal lands under the BRAC process to their ancestral owners to carry out national economic development objectives. As a direct result of Mr. Carlson's recommendation, almost 3,000 acres of land was obtained and transferred to their original owners to simultaneously achieve economic development objectives at the national level and to correct past injustices associated with federal land taking on Guam. His understanding of the law coupled with his ability to be creative in its implementation will no doubt continue to be a valuable asset.

As well, his sense of humor is most contagious and lightens any discussion of daily events and more importantly, of major issues. We wish we had even half of his intelligence and wit. His most previous experience at the helm of BBMR makes him highly qualified to continue leading the agency. His expertise, understanding and familiarity with bond requirements not only helps the Guam Economic Development Authority but the entire island as well.

Mr. Chairman and members of the Committee, it is our hope that *I Liheslaturan Guahan* will confirm Mr. Carlson at the soonest possible time for the benefit of our community. *Si Yu'os Ma'ase* Mr. Chairman and members of the Committee, for the opportunity to provide testimony.

Sinseraamente,


LAWRENCE C. TOVES


MICHAEL J. CRUZ

April 11, 2019

Honorable Jose S. San Agustin
Chairman
Committee on General Government Operations, Appropriations, and Housing
I Mina Trentai Singko na Liheslaturan Guåhan
Ran Care Bldg., CBU 203
761 S. Marine Corps Drive
Tamuning, Guam 96931

Dear Senator San Agustin:

Håfa Adai to you and to members of the Committee on General Government Operations, Appropriations, and Housing. Thank you for allowing me to submit this testimony to the Committee in support of Mr. Lester Carlson's appointment to serve as the Director of the Bureau of Budget and Management Research (BBMR). I am confident that he has the necessary expertise to continue on in his important role as the Director of BBMR.

I have gotten to know Lester over the many years that I have been in Guam, and a positive professional relationship between the two of us has developed over the years. As a representative of large tourism industry investments in Guam, I appreciate Lester's directness and honesty when discussing government finances and how it may impact our tourism industry and economy as a whole. His keen understanding of the symbiosis between the public and private sectors is important as the Government of Guam works to secure stability and prosperity in the coming years.

Guam is going through a period of change, and it is crucial that the Government of Guam has the data and information needed to most effectively manage the tax revenues gleaned from Guam's residents and business community. Lester has years of institutional knowledge that will ensure that this data and information is properly gathered and utilized, and he will greatly serve the Leon Guerrero-Tenorio Administration in its efforts to properly manage government resources. I thank you again for this opportunity to provide testimony on his behalf, and look forward to hopefully seeing his appointment being confirmed.

Sincerely,



Milton Morinaga

Aline A. Yamashita, PhD

[REDACTED]
[REDACTED]
aline4families@gmail.com

April 12, 2019

Honorable Senators of the 35 Guam Congress

Dear Senators,

It is with pleasure and pride that I support the confirmation of Mr. Lester Carlson to the directorship of the Department of Bureau of Budget and Management Resources.

Lester has the genetics of the San Agustin Leon Guerreros – the natural ability to connect, care, and collaborate. Particularly during this time of our island and the world, these competencies are greatly needed.

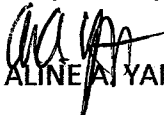
Lester has the genetics of the Carlsons – simply smart. Uncle Les and Aunty Doll simply had the natural intelligence of knowing and understanding. They are smiling from above with love.

Len has served this government for years. The institutional knowledge he brings to the financial health and development of our island and region is invaluable. The leadership is wise to ask him to continue serving. He knows what has happened and what has not happened. He understands the bond market scene. Most importantly, he cares about Guam. He could have stayed in California but he came home. His leadership makes a difference.

As a leader in our community, as a mom, a teacher, a daughter, I believe such leaders like Mr. Lester Carlson will realize the promise of a healthy, happy island community for ALL of us. Please support his confirmation.

SYM!

Respectfully,


ALINE A. YAMASHITA, PH.D.

Fwd: Confirmation Responses

Lester Carlson <lester.carlson@bbmr.guam.gov> 16 April 2019 at 14:39
To: Telo Taitague <senatortelot@gmail.com>, Jason Tedtaotao <senatortelot.jason@gmail.com>, "Senator Joe S. San Agustin" <senatorjoessanagustin@gmail.com>, Pete Johnson <pj.senatorsa@gmail.com>, Lester Carlson <lester.carlson@bbmr.guam.gov>, BBMR Supervisors <supervisors@bbmr.guam.gov>, Analyn Eustaquio <analyn.eustaquio@bbmr.guam.gov>

Hafa Adai Senator Taitague and Senator San Agustin!

Please see my responses to inquiries posed by Senator Taitague contained herein.

Thank you!

Lester L. Carlson, Jr.
Acting Director
Bureau of Budget and Management Research
Office of the Governor
P.O. Box 2950
Hagatna, Guam 96932
(671) 475-9318
lester.carlson@bbmr.guam.gov

----- Forwarded message -----
From: **Jackie Barrett** <jackie.barrett@bbmr.guam.gov>
Date: Tue, Apr 16, 2019 at 2:22 PM
Subject: Confirmation Responses
To: Lester Carlson Jr <lester.carlson@bbmr.guam.gov>



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Jacqueline E. Barrett
Administrative Assistant
Bureau of Budget & Management Research (BBMR)
Governor's Complex Adelup
P.O. Box 2950
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E-mail: -- jackie.barrett@bbmr.guam.gov

Love, Laugh & Live :) !

3 attachments

 **DOC.pdf**
84K

 **DOC000.pdf**
11K

 **DOC001.pdf**
204K



BUREAU OF BUDGET & MANAGEMENT RESEARCH

OFFICE OF THE GOVERNOR
Post Office Box 2950, Hagåtña Guam 96932

LOURDES A. LEON GUERRERO
GOVERNOR

LESTER L. CARLSON, JR.
DEPUTY DIRECTOR

JOSHUA F. TENORIO
LIEUTENANT GOVERNOR

April 16, 2019

Honorable Telo Taitague
I Mina' Trentai Singko Na Liheslaturan Guåhan
35th Guam Legislature
Ste. 309 DNA Bldg.
238 Archbishop Flores St.
Hagåtña, Guam 96910

Hafa Adai!

Thank you Senator Telo Taitague for the questions you have posed on your email sent Friday, April 12, 2019. Please refer to my response below:

QUESTIONS/DISCUSSION POINTS:

1. According to the latest Consolidated Revenue/Expenditure Report (CRER) for the period ending **February 28, 2019**... GovGuam, so far, anticipates collecting approximately **\$795,602,363** in General Fund revenue... which is **\$19,973,395** above the **\$775,628,968** figure that was adopted for FY 2019...

➤ **Response:** Please refer to footnotes #3 and #4 on page 3 of the February, 2019 Consolidated Revenue and Expense Report which I have attached

Under Footnote #3: you will find ACTC amounts of \$7,177,645 for October, 2108 and \$1,557,376 for February, 2019 which should NOT be considered revenue as statute requires 90% to be applied to tax refunds and 10% to the Department of Revenue and Taxation to fund much needed operational requirements.

Under Footnote #4: you will find Non-Recurring Individual Income Tax Revenue of \$2,830,000 for October, 2018 which represents the receipt of past due taxes which should not be considered NEW/EXCESS revenue as this amount is part of our deficit which is then applied accordingly. Therefore, it should not be viewed as a fund source.

Under Footnote #4: you will find Non-Recurring Corporate Income Tax Revenue of \$3,200,000 for October, 2018 and \$1,200,000 for February, 2019. Again, these amounts represent the receipt of past due taxes which should not be considered NEW/EXCESS revenue as this amount is part of our deficit which is then applied accordingly. Therefore, it should not be viewed as a fund source.

After making these adjustments by netting out these Non-Recurring revenues and ACTC amounts which totals \$15,965,021 from the TOTAL GENERAL FUND REVENUES of \$12,810,620 results in a NEGATIVE AMOUNT of \$3,154,401 for the Year to Date Adopted vs. the Year to Date Actual Revenues for the Cumulative Period.

Similarly, after applying these adjustments to the FY 2019 Adopted Revenues vs the Projected Revenues to Year End amounts the February, 2019 projection results in a PROJECTED \$4,008,374 amount.

EXTREME Caution should be taken with these legislatively mandated reports as they are draft and subject to change. While value is provided in revenue reporting and tracking, there are many factors which could play into unforeseen changes in future collections which may very well affect the tracking. These may include changes in U.S. – North Korea relations, stability of the S. Korea & Japan travel markets, occurrence of natural disasters, the H2B issue, etc., which would have direct and/or indirect impact on Guam’s economy.

2. Please summarize your thoughts on General Fund collections over the next 7 months with respect to cash management... specifically our ability to meet various obligations during “favorable” and “unfavorable” periods...

- **Response:** We are on track to meet adopted General Fund revenues and cash management is predicated on that premise. Should General Fund revenues be met then our cash management plan will meet the various obligations despite the “ups and downs” in revenue collection that occur during any fiscal year.

3. What are your thoughts on legislation appropriating “excess” General Fund revenue (i.e., Bill 78 - \$5.6 million for Medicaid Program)?

- **Response:** It is contrary to prudent fiscal policy to appropriate funds over and above the adopted levels as we will not know how we will end the fiscal year until mid-October. By that time the fiscal year will be over and should there be any surpluses those funds should be allowed to be applied to our existing deficit. Simply put, there is no “excess” General Fund revenue from which to appropriate as Bill 78 suggests.

4. Bill 68 (\$150,000 for autism center); BBMR Fiscal Note states the Bill doesn’t include language offsetting an appropriation elsewhere in FY’19 budget to support autism center.

- **Response:** You are correct. All FY 2019 revenues have been appropriated and the Fiscal Note simply points out that no existing appropriation has been identified from which the Autism Center’s funding needs could be offset or revised to maintain our collective statutory mandate to pass a balanced budget.

5. With respect to the proposed **FY 2020 Budget Proposal**... which, according to the governor's office, is **1.05% or \$10 million over the current fiscal year**... please share general comments you have regarding any ongoing or proposed efforts aimed at reducing costs across our government...

➤ **Response:** The FY 2020 Executive Budget Request takes into account the restoration of salary increments, over \$5 M in additional debt service and the increased cost for Retiree Medical, Dental and Life Insurance costs. I would submit that the Government is still operating within the levels adopted in FY 2019 with the much-needed revisions to the three items mentioned above.

6. What is the status of a section included in the FY 2019 Budget Act called "**Spending Controls Administrative Provisions**" - hiring and travel restrictions, Deputy Directors, etc.?

➤ **Response:** There were Nine (9) provisions contained in the Spending Controls Administrative Provisions in Chapter XIII of P.L. 34-116. Of these nine provisions the following are unaffected by recent opinions from the Attorney General and are currently enforced:

Section 2. Government-Funded Travel Prohibited

Section 3. Salary Increments Freeze

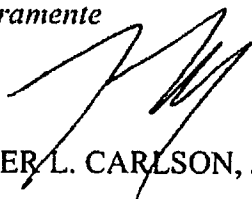
Section 5. Wireless Communications Restrictions

Section 6. Certification Pay Differential Suspended

Section 8. Suspension of Renewals or Extensions of Qualifying Certificates

Section 9. Restriction on the Home Use of Government of Guam Vehicles

Senseramente



LESTER L. CARLSON, JR.

cc: Senator Joe S. San Agustin
Office of Finance and Budget

Attachments

Current Period Collections (Oct - Feb)

Adopted	Actual	Variance
\$345,319,724	\$358,130,344	\$12,810,620

FY 2019 Tracking (from Feb. CRER)

Adopted	Tracking	Variance
\$775,628,968	\$795,602,363	\$19,973,395

Less:

ACTC - October 2018

ACTC - February 2019

Individual Income Tax - Non-Recurring (October 2018)

Corporate Income Tax - Non-Recurring (October 2018)

Corporate Income Tax - Non-Recurring (February 2019)

Subtotal

\$0	(\$7,177,645)	
\$0	(\$1,557,376)	
\$0	(\$2,830,000)	
\$0	(\$3,200,000)	
\$0	(\$1,200,000)	
<u>\$0</u>	<u>(\$15,965,021)</u>	

\$0	(\$7,177,645)	
\$0	(\$1,557,376)	
\$0	(\$2,830,000)	
\$0	(\$3,200,000)	
\$0	(\$1,200,000)	
<u>\$0</u>	<u>(\$15,965,021)</u>	

Collections Less Anomalies

\$345,319,724	\$342,165,323	(\$3,154,401)
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\$775,628,968	\$779,637,342	\$4,008,374
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BUREAU OF BUDGET & MANAGEMENT RESEARCH

OFFICE OF THE GOVERNOR
Post Office Box 2950, Hagåtña Guam 96932

LOURDES A. LEON GUERRERO
GOVERNOR

LESTER L. CARLSON, JR.
ACTING DIRECTOR

JOSHUA F. TENORIO
LIEUTENANT GOVERNOR
MAR 19 2019

The Honorable Tina Muña Barnes
Speaker
I Mina'trentai Singko Na Liheslaturan Guåhan
Thirty-Fifth Guam Legislature
Guam Congress Building
163 Chalan Santo Papa
Hagåtña, Guam 96932

Speaker Tina Rose Muña Barnes

MAR 20 2019
Time 4:55 ()AM ()PM

Received By: [Signature]

Dear Speaker Barnes:

Enclosed is the Consolidated Revenue/Expenditure Report for the period ending February 28, 2019. There are several statutes requiring monthly reports of revenues in addition to a report requiring both revenue and expenditure comparisons. In an effort to mitigate misunderstanding of the different amounts being reported, it was necessary to submit a "consolidated" report which contains all the comparative information pursuant to each of the statutory reporting requirements. In this format, it is evident that there are varying numbers due to the different "basis of comparison". It should be noted that the amounts reflected in this report are subject to internal audit and analysis and therefore are subject to change, which is the nature of these interim reports. However, it is submitted to meet compliance with each reporting mandate.

Please also note that the report has been prepared and submitted to comply with Public Law 34-116. The law required reporting of revenue in a manner which is not in compliance with Generally Accepted Accounting Principles (GAAP) or Government Accounting Standards Board (GASB) requirements. Stakeholders are cautioned that the report is not an accurate reflection of the financial position of the Government of Guam nor should it be compared to prior reports that were prepared in accordance with GAAP.

Should you have any questions, please do not hesitate to call me.

Sincerely,

LESTER L. CARLSON, JR.

Enclosures

<i>Certification of information contained in Enclosures subject to Note 1.</i>
Lester L. Carlson, Jr. Acting Director, Bureau of Budget and Management Research
Edward Birn, Director, Department of Administration
Dafne Shimizu, Acting Director, Department of Revenue and Taxation

Government of Guam
Consolidated Revenue / Expenditure Report
General Fund

Combined Comparative Statement of Revenues
MONTHLY ACTUAL Collection Comparison FY2019 and FY2018
For the Month Ending February

Combined Comparative Statement of Revenues
YTD ACTUAL Collection Comparison FY2019 and FY2018
Five months ending February 2019

	2019			2018		
	February	February	Increase (Decrease)	Fiscal Year 2019	Fiscal Year 2018	Increase (Decrease)
Income Taxes:						
Individual	\$ 3,636,218	\$ 2,191,117	\$ 1,445,102	\$ 28,508,679	\$ 23,918,501	\$ 4,590,178
Corporation	3,759,301	1,753,578	2,005,723	24,353,730	44,366,590	(20,012,859)
Withholding	17,774,136	16,345,166	1,428,970	97,486,818	107,455,349	(9,968,531)
Income Taxes	25,169,655	20,289,861	4,879,794	150,349,227	175,740,440	(25,391,212)
Business privilege taxes:						
Gross Receipts Taxes	25,699,509	19,345,307	6,354,202	126,153,869	96,205,020	29,948,848
Other Taxes:						
Use Tax	346,187	248,609	97,579	1,815,634	1,124,136	691,498
Business Privilege Taxes	26,045,697	19,593,916	6,451,781	127,969,503	97,329,156	30,640,347
Licenses, Fees & Penalties	187,315	160,875	26,440	1,201,082	807,632	393,450
Use of Money & Property	68,115	32,881	35,234	510,041	(73,485)	583,526
Federal Sources:						
Section 30	0	0	0	77,046,768	77,795,541	(748,773)
Immigration fees	0	168,510	(168,510)	573,740	814,545	(240,805)
Recovery from Individuals	0	0	0	12,553	8,019	4,534
Child Support AFDC Local Share	3,597	10,693	(7,096)	8,177	38,473	(30,296)
Federal Sources	3,597	179,203	(175,606)	77,641,239	78,656,579	(1,015,339)
Department Charges:						
Agriculture	359	328	31	1,839	1,516	323
Police & Corrections	0	0	0	0	10	(10)
Public Works	4,725	5,650	(875)	41,200	28,200	13,000
Public Health	720	465	255	2,800	4,000	(1,200)
Commerce	0	0	0	0	0	0
Other charges	84,562	74,959	9,603	413,414	324,174	89,240
Department Charges	90,416	81,482	9,014	459,253	357,900	101,353
TOTAL GENERAL FUND REVENUES	\$ 51,564,794	\$ 40,338,137	\$ 11,226,657	\$ 358,130,344	\$ 352,818,221	\$ 5,312,124

PROVISION FOR TAX REFUNDS						
Budget (Provision per P.L. 34-116)	\$ 7,531,116	6,331,908	\$ 1,199,228	47,303,087	43,755,067	\$ 3,548,020

Footnotes

1/ Revenues are based on a modified accrual basis of accounting as determined by GASB 34. During the year, revenues are recognized on a cash basis, but at year end an accrual is made in accordance with GASB 33.

2/ Individual Income Taxes include ACTC non-refundable tax credit, which are not factored in the FY 2019 adopted level. (October 2018: \$7,177,643; February 2019: \$1,517,316)

3/ Non-recurring revenues in FY 2019 (October 2018) (Individual Income Tax - \$1,810,000; Corporate Tax - \$1,200,000; February 2019 (Corporate Tax - \$1,200,000)

4/ Estimates are recorded for the provision for 2019 Refunds.

Note 1: Data contained herein are subject to change, as additional reconciliations are performed.

Note 2: Provision for Tax Refunds reflects accounting estimate as of 9/30/2019.

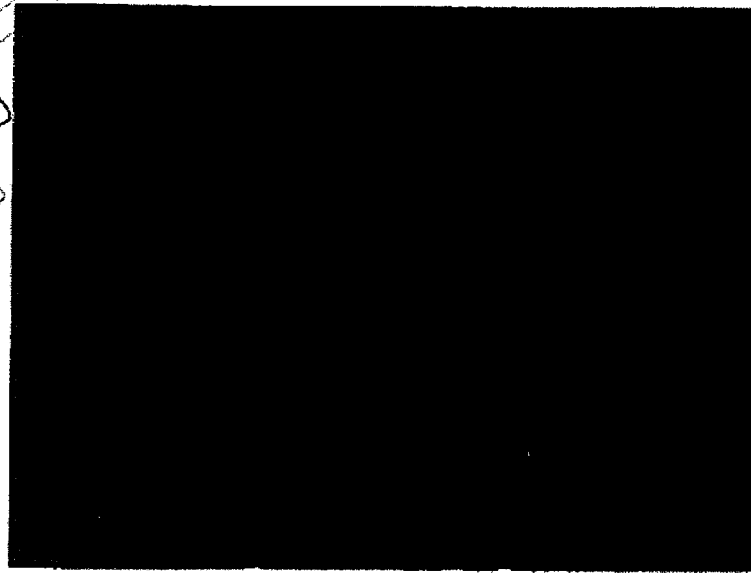
Note 3: This report is not prepared in accordance with GAAP or GASB requirements. Stakeholders are cautioned that this report is not an accurate reflection of the financial position of the Government of Guam and should not be compared to prior reports that were prepared in accordance with GAAP. The report has been prepared and submitted to comply with Public Law 34-118.

Government of Guam
Consolidated Revenue/Expenditure Report ^U
General Fund

MONTHLY ADOPTED Revenue Allocated vs. MONTHLY ACTUAL REVENUE
For the Month Ending February 2019
Pursuant to 5 G.C.A. Ch 4, §4109(c)(3) (Use no later than 10 days after month-end)

Quarterly ADOPTED Revenue Allocated vs. Quarterly ACTUAL REVENUE
For the 2nd Quarter 2019
Pursuant to 5 G.C.A. Ch 4, §4109(f) (due 30 days after the close of each quarter) ^W

	FY2019 Adopted Revenues Allocated for the Month February ^X	FY2019 Actual Collections For the Month February	Favorable (Unfavorable)
Income Taxes:			
Individual	\$ 1,995,158	\$ 3,636,218	\$ 1,641,060
Corporation	1,190,391	1,759,301	2,569,000
Withholding	17,094,848	17,774,136	679,288
Income Taxes	20,280,397	25,169,655	4,889,258
Business privilege taxes:			
Gross Receipts Taxes	23,906,695	25,699,509	1,792,814
Other Taxes:			
Use Tax	180,849	346,187	165,338
Business Privilege Taxes	24,087,544	26,045,697	1,958,153
Licenses, Fees & Penalties	133,687	187,315	53,708
Use of Money & Property	47,677	68,115	20,438
Federal Sources:			
Section 30	0	0	0
Immigration fees	129,841	0	(129,841)
Recovery from Individuals	0	0	0
Child Support AFDC Local Share	0	3,597	3,597
Federal Sources	129,841	3,597	(126,244)
Department Charges:			
Agriculture	171	359	188
Police & Corrections	0	0	0
Public Works	2,942	4,775	1,833
Public Health	242	720	478
Commerce	0	0	0
Other charges	39,030	84,562	45,532
Department Charges	42,385	90,416	48,031
TOTAL GENERAL FUND REVENUES	44,721,361	51,564,794	6,843,433



Footnotes

¹ Revenues are based on a modified accrual basis of accounting as determined by GASB 34. During the year, revenues are recognized on a cash basis, but at year end an accrual is made to accrete with GASB 34.

² This information will be updated on the quarter ending.

³ Based on Adopted Revenue Allocated per P.L. 34-118, Chapter 1 section 5(A).

⁴ Note 1: Data presented herein are subject to change, as additional reconciling items are prepared.

⁵ Note 1: Finance Tax Return reflect accounting estimate as of 3/30/2019.

⁶ Note 3: This report is not prepared in accordance with GAAP or GASB requirements. Stakeholders are cautioned to not rely on this report as an accurate reflection of the financial position of the Government of Guam as shown if it is compared to prior reports that were prepared in accordance with GAAP. The report has been prepared and submitted in compliance with Public Law 34-116.

⁷ Note 4: Corporation due date changed from March 15 to April 15th for CALENDAR YEAR reporting. Corporation other than Calendar Year reporting to due the 15th day of 4th month after year-end.

Government of Guam
Consolidated Revenue / Expenditure Report¹
General Fund

	YTD ADOPTED Revenue Allocated vs. YTD ACTUAL Collections Five Months Ending February 2019 Pursuant to S.G.C.A., Ch. 4, §4109(c)(3) (due 28 days after month-end)			FY2019 ADOPTED Revenue vs. PROJECTED Revenue to Year End Pursuant to S.G.C.A., Ch. 13 §13109(a)(1) (due not later than 28 days after month-end); S.G.C.A., Ch. 4 §4109(c)(3) (due no later than 28 days after month-end), and P.L. 31-233, Ch. XXII §7 (due no later than 28 days after month-end)		
	FY2019 Adopted Revenue for the Cumulative Period ²	FY2019 Actual Revenue for the Cumulative Period	Favorable (Unfavorable)	FY2019 Adopted Revenue (Full Year Projection) ³	FY2019 Revenue Tracking	Favorable Increase (Decrease)
Income Taxes:						
Individual	\$ 16,319,608	\$ 28,308,679	\$ 12,189,071	\$ 66,411,501	\$ 80,477,831	\$ 14,066,330
Corporation	34,358,826	24,353,730	(10,005)	83,723,838	72,497,765	(11,226,073)
Withholding	91,250,779	97,466,818	6,236,039	223,751,011	237,527,052	13,776,041
Income Taxes	131,929,213	150,130,227	18,420,014	373,886,370	390,502,648	16,616,278
Business privilege taxes:						
Gross Receipts Taxes	132,410,073	126,153,869	(6,256,204)	311,528,514	309,921,780	(1,606,734)
Other Taxes:						
Use Tax	1,161,396	1,815,634	652,038	3,102,098	4,831,717	1,729,619
Business Privilege Taxes	133,571,669	127,969,503	(5,604,166)	314,630,612	314,753,497	12,885
Licenses, Fees & Penalties	754,589	1,201,082	446,493	5,743,159	7,484,833	1,741,674
Use of Money & Property	32,444	610,041	477,597	190,944	2,599,367	2,399,423
Federal Sources						
Section 30	78,000,000	77,016,768	(983,232)	78,000,000	77,046,768	(953,232)
Immigration fees	502,519	573,740	(228,779)	2,006,165	1,480,418	(525,747)
Recovery from Individuals	0	12,551	12,551	0	0	0
Child Support AFDC Local Share	0	8,177	8,177	0	0	0
Federal Sources	78,502,519	77,641,239	(861,280)	80,006,165	78,527,186	(1,478,979)
Department Charges:						
Agriculture	949	1,839	890	2,053		(2,053)
Police & Corrections		0	(7)	7		(7)
Public Works	17,934	41,200	23,266	53,512		(53,512)
Public Health	2,583	2,800	217	5,457		(5,457)
Commerce	0	0	0	0		0
Other charges	205,817	413,464	207,597	1,110,689		(1,110,689)
Department Charges	217,290	459,253	231,963	1,671,718	1,543,832	372,114
TOTAL GENERAL FUND REVENUES	\$ 345,319,724	\$ 358,130,344	\$ 12,810,620	\$ 775,628,948	\$ 795,602,363	\$ 19,973,395
			3.71%			2.58%

Footnotes

1) Revenues are based on a unmodified accrual basis of accounting as determined by GASB 34. During the year, revenues are recognized on a cash basis, but at year-end an accrual is made in accordance with GASB 34.

2) Based on Adopted Revenue allocated per P.L. 34-116, Chapter 1, section 3(A).

3) Individual Income Taxes include ACTC reimbursements to date, which are not factored in the FY 2019 adopted level. (October 2018 \$7,177,445; February 2019 \$1,937,370)

4) Non-recurring revenues in FY 2019: October 2018 (Individual Income Tax - \$2,830,000; Corporate Tax - \$3,200,000); February 2019 (Corporate Tax - \$1,200,000)

Note 1: Data contained herein are subject to change, as additional reconciliations are performed.

Note 2: Revenues to Tax Refunds reflect accounting estimate as of 9/30/2019.

Note 3: This report is not prepared in accordance with GAAP or GASB requirements. This checklist is intended that the report is not an accurate reflection of the financial position of the Government of Guam and should be compared to prior reports that were prepared in accordance with GAAP. This report has been prepared and submitted in compliance with Public Law 34-116.

Note 4: Corporation date changed from March 15 to April 15th to CALENDAR YEAR reporting. Corporation other than Calendar Year reporting, is due the 15th day of 4th month after year-end.

Government of Guam
Consolidated Revenue/Expenditure Report
General Fund
As of February 28, 2019

(Pursuant to §4109 (c) (3) of Title 5 GCA)
General Fund

<u>EXPENDITURES & ENCUMBRANCES</u>	<u>APPROPRIATIONS ¹</u>	<u>EXPENDITURES ²</u>	<u>ENCUMBRANCES</u>	<u>FUNDS AVAILABLE</u>
GENERAL GOVERNMENT				
Office of I Magalahañ Guahan	5,990,019	2,943,722	330,721	2,715,576
Office of I Segundu Na Magalahañ Guahan	1,022,712	422,358	1,549	598,806
Bureau of Budget & Management Research (BBMR)	1,112,574	400,766	192	711,616
Civil Service Commission	933,169	331,501	128,336	473,333
Department of Administration (DOA)	6,642,389	2,562,380	418,841	3,661,168
DOA - Support of Child in Custody - 19 GCA §5116	946,969	-	-	946,969
DOA - Residential Treatment Fund	2,300,000	785,734	-	1,514,266
DOA - Government Claims Fund	250,000	92,917	-	157,083
DOA - Government Annual Single Audit	401,000	-	401,000	-
Department of Revenue & Taxation (DRT)	8,435,879	3,333,159	963,297	4,139,423
Guam Ancestral Lands Commission	89,462	23,417	5,608	60,437
Office of Veterans Affairs	409,930	173,479	25,956	210,495
Office of Technology	3,139,434	860,735	1,356,001	922,697
TOTAL	31,673,537	11,930,168	3,631,501	16,111,868
PROTECTION OF LIFE & PROPERTY				
Guam Police Department (GPD)	25,786,222	8,764,231	-	17,021,991
GPD - Cost Sharing Initiative for CJIS Integration Project	89,730	89,730	-	-
Department of Corrections (DOC)	24,649,150	8,215,331	3,573,722	12,860,097
DOC - Cost of Care & Custody of Prisoners in Federal Facilities	501,000	160,157	-	340,843
DOC - Cost Sharing Initiative for CJIS Integration Project	89,730	74,184	-	15,546
Department of Youth Affairs (DYA)	5,350,661	1,964,644	226,752	3,159,265
DYA - Runaway, Homeless or Victims of Abuse	332,150	115,291	167,037	49,822
Chief Medical Examiner	431,160	208,280	38,353	184,527
Guam Fire Department	28,424,731	11,697,754	220,706	16,506,271
TOTAL	85,654,534	31,289,601	4,226,571	50,138,362

See footnotes on page 7.

Note: Data continued herein are subject to change, as additional reconciliations are performed.

Government of Guam
Consolidated Revenue/Expenditure Report
General Fund
As of February 28, 2019

<u>EXPENDITURES & ENCUMBRANCES</u>	<u>APPROPRIATIONS ^U</u>	<u>EXPENDITURES ^U</u>	<u>ENCUMBRANCES</u>	<u>FUNDS AVAILABLE</u>
PUBLIC HEALTH				
Department of Public Health & Social Services (DPHSS)	6,836,675	1,462,374	1,209,635	4,164,665
DPHSS - MIP/MIPPR Program	10,584,915	7,387,835	-	3,197,080
DPHSS - MIPPR Cancer Screening, Treatment, Educational Programs & Support	800,000	-	-	800,000
DPHSS - Medicaid Program	12,464,897	10,022,046	-	2,442,851
DPHSS - Children's Health Insurance Program	6,573,449	1,789,307	1,397,628	3,386,514
DPHSS - Division of Senior Citizens Programs	8,956,452	2,802,067	2,628,626	3,525,759
DPHSS - Public Assistance Program	3,485,928	1,006,176	-	2,479,752
DPHSS - Enhanced Allotment Plan	1,034,170	1,034,169	-	1
DPHSS - Foster Care Health Insurance Premiums	549,000	297,340	-	251,660
DPHSS - Office of Minority Health	-	-	-	-
Guam Behavioral Health and Wellness Center (GBHWC)	-	-	-	-
GBHWC - Drug & Alcohol Programs	437,429	28,175	409,254	-
GBHWC - Youth Suicide Prevention and Peace Program	86,000	6,365	29,368	50,267
Guam Memorial Hospital Authority (GMHA) Operations	1,051,256	372,320	-	678,936
GMHA - Labor and Delivery Ward Renovation Debt Service	600,000	212,500	-	387,500
TOTAL	53,460,171	26,420,674	5,674,511	21,364,986
PUBLIC EDUCATION				
Department of Education Operations (DOE)	195,610,272	79,822,958	-	115,787,314
DOE - Gushan Academy, <i>iLearn</i> Academy, and Science is Fun and Awesome Academy Charter Schools	3,160,951	3,160,951	-	0
DOE - Simon Sanchez Procurement	1,000,000	-	-	1,000,000
DOE - Chamoru Studies Division	401,207	7,867	-	393,340
DOE - Textbooks	1,500,000	-	-	1,500,000
University of Guam Operations (UOG)	27,456,655	8,768,548	-	18,688,107
UOG - Scholarships (SSFAP)	3,287,524	807,105	-	2,480,419
UOG - Aquaculture Development and Training Center	114,402	28,086	-	86,316
UOG - WERI (Guam Hydrologic Survey)	166,866	40,967	-	125,900
UOG - WERI (Water Resource Monitoring)	142,143	36,847	-	105,296
UOG - Northern & Southern Soil & Water Conservation District Programs	136,442	33,497	-	102,945
UOG - KPRG Operations	114,170	28,029	-	86,141
Guam Community College Operations (GCC)	16,149,870	3,964,882	-	12,184,988
GCC - Licensed Practical Nursing & Vocational Guidance Programs	763,207	187,372	-	575,835
GCC - Apprenticeship Program	186,918	45,889	-	141,029
TOTAL	250,190,627	96,932,998	-	153,257,629

See footnotes on page 7.

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Government of Guam
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<u>EXPENDITURES & ENCUMBRANCES</u>	<u>APPROPRIATIONS ¹</u>	<u>EXPENDITURES ²</u>	<u>ENCUMBRANCES</u>	<u>FUNDS AVAILABLE</u>
COMMUNITY SERVICES				
Department of Integrated Services for Individ with Disabilities (DISID)	364,625	169,990	-	194,635
TOTAL	364,625	169,990	-	194,635
INDIVIDUAL & COLLECTIVE RIGHTS				
Commission on Decolonization (COD) Operations	160,848	28,061	34	132,753
COD - Public Information Program	180,000	77	60,403	119,520
Department of Labor (DOL)	1,687,252	511,514	161,081	1,014,656
DOL - Worker's Compensation Fund	698,593	282,850	-	415,743
Department of Military Affairs	696,178	199,821	3,588	492,769
Guam Election Commission (GEC)	1,399,414	720,417	153,355	525,641
Guam Council on the Arts and Humanities	158,510	-	-	158,510
TOTAL	4,988,795	1,742,740	378,462	2,859,593
ECONOMIC DEVELOPMENT				
Bureau of Statistics & Plans (BSP)	704,503	271,809	558	432,136
BSP - Business and Economics Statistics Program	433,292	199,215	10,500	223,577
Department of Agriculture - DOAg	2,246,963	888,344	36,758	1,321,861
DOAg - Animal Shelter (GAIN)	150,000	37,500	90,000	22,500
DOAg - Conservation Officers	740,447	194,091	18,066	528,290
TOTAL	4,275,205	1,590,958	155,883	2,528,364
JUDICIAL/LEGISLATIVE/OTHERS				
Unified Judiciary Operations (Judiciary)	30,515,917	12,910,580	-	17,605,337 3/
1 Lihestaturan Guåhan (Legislature)	7,646,908	2,694,065	-	4,952,843
Legislature - Office of Finance and Budget	420,000	147,969	-	272,031
Office of the Attorney General Operations (OAG)	14,739,063	5,157,585	1,007,129	8,574,349 4/
OAG - Tax Collection Assistance for Department of Revenue & Taxation	300,000	29,938	-	270,062
Public Defender Services Corporation (PDS)	4,344,170	1,340,178	-	3,003,992
Mayor's Council of Guam (MCOG) - Operations	2,678,070	8,321	-	2,669,749
Office of Public Accountability	1,258,365	531,505	-	726,860
TOTAL JUDICIAL/LEGISLATIVE/OTHERS	61,902,493	22,820,141	1,007,129	38,075,223

See footnotes on page 7

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Government of Guam
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<u>EXPENDITURES & ENCUMBRANCES</u>	<u>APPROPRIATIONS</u> ^{1/}	<u>EXPENDITURES</u> ^{2/}	<u>ENCUMBRANCES</u>	<u>FUNDS AVAILABLE</u>
MISCELLANEOUS APPROPRIATIONS				
Government of Guam Retirement Fund (GGRF) - Medicare Premiums	3,400,000	1,440,000	-	1,960,000
GGRF - Governor/Lieutenant Governor Pensions	298,000	115,223	-	182,777
GGRF - Judges Annuities	336,000	140,000	-	196,000
GGRF - Health/Dental/Life Insurance	32,044,741	12,340,538	-	19,704,203
GGRF - Guam Retirement Security Plan	500,000	-	-	500,000
DOA - Supplemental Annuity Benefits Special Fund	7,651,000	2,398,543	-	5,252,457
DOA- Cost of Living Allowance	13,990,000	13,990,000	-	-
Emergency Declaration for Typhoon Yutu per E.O. 2018-17	250,000	88,988	87,965	73,047 5/
Emergency Declaration for Tropical Storm Man-Yi per E.O. 2018-19	250,000	53,322	33,000	163,678 5/
Emergency Declaration for Typhoon Wutip per E.O 2019-05	250,000	-	126,264	123,736 6/
TOTAL	58,969,741	38,566,615	247,229	28,155,897
CONTINUING APPROPRIATIONS				
General Obligation Bonds, Series 2009 A	5,544,600	5,383,350	-	161,250
GDOE Series 2010A JFK Project	5,131,900	5,131,900	-	-
BPT Tax Bonds, Series 2011A	16,351,388	10,720,256	-	5,631,132
BPT Tax Bonds, Series 2012B	7,507,320	5,000,104	-	2,507,217
BPT Tax Bonds, Series 2013C	2,764,088	2,764,088	-	-
GDOE Series 2013A Okkodo Project	2,938,960	2,288,960	-	650,000
BPT Bonds, Series 2015D	21,906,550	11,866,175	-	10,040,375
Limited Obligation Bonds (Section 30), Series 2016A	16,904,500	11,224,875	-	5,679,625
TOTAL	79,849,386	54,379,708	-	24,669,598
GRAND TOTAL	630,521,034	277,843,594	15,321,285	337,356,155

Footnotes:

- 1/ Pursuant to P.L. 34-116. Does not include appropriations from "revenues in excess of FY 2019 projections of General Fund".
- 2/ Actual Cumulative preliminary numbers provided by DOA to exclude X & Z accounts.
- 3/ Inclusive of Judiciary appropriations for: Court Appointed Fees (\$1,306,472), Adult and Juvenile Drug Courts (\$1,572,793), and Electronic Monitoring System (\$551,966). Pending distribution of allocation by DOA.
- 4/ Appropriation inclusive of Criminal Justice Information System Integration Project Cost Sharing Initiative.
- 5/ Funds made available through de-appropriation of DPHSS accounts.
- 6/ Funds made available through de-appropriation from COLA, Supplemental Annuity Benefits, and Department of Military Affairs accounts.

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SENATOR JOE S. SAN AGUSTIN

Chairman, Committee on General Government Operations, Appropriations, and Housing
I Mina' trentai Singko na Liheslaturan Guahan Thirty-Fifth Guam Legislature

Committee Report Digest

I. OVERVIEW

The Committee on General Government Operations, Appropriations, and Housing convened a public hearing Tuesday, **April 12, 2019 at 9:00am** at *I Liheslatura's* Public Hearing Room. On the agenda was the consideration of appointment of **Lester L. Carlson, Jr.**, to serve as a, **Director, Budget and Management Research, Term Length – To serve at the pleasure of the Governor.**

- Appointed by *I Maga' Lahen Guahan* on **March 29, 2019** for a Term of: **To serve at the pleasure of the Governor.**
- Appointment packet forwarded to *I Liheslaturan* on **April 02, 2019.**
- Appointment packet forwarded to this committee for public consideration on **April 03, 2019.**

Public Notice Requirements:

Notices were disseminated via **e-mail** to all senators and all main media broadcasting outlets on **Thursday, April 04 2019** (5-Day Notice), and again on **Tuesday, April 09, 2019** (48-hour Notice).

(a) Committee Members and Senators present:

Senator Joe S. San Agustin, Chairman
Senator William M. Castro, Member
Senator James C. Moylan, Member
Senator Tina Rose Muña Barnes, Member
Senator Kelly Marsh (Taitano), PhD, Member
Senator Therese M. Terlaje, Member

(b) Appearing before the committee:

Lester L. Carlson, Jr., BBMR
Edward Birn, Director, Department of Administration
Ken Leon Guerrero, Guam Citizens for Public Accountability
Milton Morinaga, Director, Kane Corporation
Senator Eileen Yamashita

(c) Written Testimony Submitted

Lester L. Carlson, Jr., BBMR
Edward M. Birn, Director, Department of Administration
Mike D. Carlson
Tammy Amuan, Bureau of Budget and Management Research (BBMR)
Lawrence C. Toves
Michael J. Cruz
Milton Morinaga, Director, Kane Corporation
Aline A. Yamashita, PhD

II. COMMITTEE PRECEEDINGS

Chairman Senator Joe S. San Agustin: Good morning ladies and gentlemen I would like to uh I'm not even going tease Lester about it but I wonder when I walked in I said I know I'm in the proper attire I'm surprised Senator Castro isn't and I know it's not biker fest today even though the Chelu's are here, Harley Owners group are here let me see make sure I don't miss anybody I've got the HAWKS here the Guam HOGS are here yeah I got everybody got TRIX right Oh you see but that's okay we understand your still in the house Chelu you're in the house ladies gentlemen I'd ask first Mr. Lester Carlson to come forward and have a seat here before I opened the public hearing and ask Mr. Kenny Leon Guerrero to come forward and ask I got Mr. Birn that Edward Birn director of DOA I got Milton Mr. Milton coming up and I have yup that's it ladies and gentlemen its 9 o'clock Department of Administration, the committee on General Government Operations, Appropriations, and Housing convenes this public hearing. Public hearing notices were given to the media on Thursday, April 4th second notice was given on Thursday, April 11th and for the record today is April 12 and the time now is 9 o'clock. Committee will hear and accept as well both oral and written on the following, we first initially started out with two nominees we're now down to one and I will brief the people of Guam on the reasons why the other one was withdrawn but the appointee today is Lester L Carson Jr. as Director of Bureau Budget Management & Research term length serve at the pleasure of the Governor. I like to acknowledge the presence of my colleagues Senator Therese Terlaje and Senator biker, my fellow biker even though he's got a smaller bike Senator Will Castro. Ladies and gentleman the general rule for the public hearing is those testifying will be recognized in the order of sign-up on the sign-in sheet written testimony may be read. Lengthy written testimony should be summarized to about five minutes even though I expect Mr. Carlson to be longer written testimony, shall be submitted to the committee please provide our legislature staff with your written testimony for photocopying. Testimony shall be confined to the substance. Persons, individuals will be allowed to present oral testimony only once you are done you may be asked to remain in the room for questions or additional testimony as may be desired by the members of the panel. Proper forum and decorum shall be practiced by all president the public hearing room for the proceedings individuals who failed to maintain proper foreign decorum may be restricted from providing oral testimony and or may be asked to leave or be escorted from the room please gentlemen if there is not proper decorum and form maintained you will be removed you won't be asked you will be removed okay so bikers keep the pipes down low okay and when you speak please make sure that the microphone is on and that you speak into the microphone please state your name will now begin to your testimonies on the appointee Lester Carlson Jr. and I ask Mr. Carlson you have family

members my aunties are there in the room if you could please first, I like to identify the family that are present today.

Mr. Lester Carlson: Thank you very much Senator, Chairman and Primo I have my wife Amoretta my daughter Krysten I have my auntie Liz my prima Evelyn my primo Charlie I have my mother-in-law Helen Pangelinan I have my really good friend Maria Delarosa I have members brothers in the Cheluship as well as Row Row and HOGS John from Trix thank you very much for the opportunity to make a personal recognition for friends I'll take care of the staff a little bit later but my heart is thank you very much.

Chairman Senator Joe S. San Agustin: Thank you I like to also recognize Senator Aline Yamashita also present good morning ma'am and we also have the director of revenue and tax Daphne Shimizu Lester you also forgot Primo Tim but that's okay he's your chief.

Mr. Lester Carlson: I'm sorry sir I also have my cousin former Senator Aline Yamashita as well as two very good friends from the Guam Economic Development Authority Larry Toves and Mike Cruz.

Chairman Senator Joe S. San Agustin: All right thank you we will now begin the hearing testimony we'll start with Mr. Ken Leon Guerrero sir.

Mr. Ken Leon Guerrero: Thank you very much I'm Ken Leon Guerrero I'm here today both as a private citizen and as the spokesman for Guam citizens for public accountability I have been interacting with Lester Carlson's since 2007 in one capacity or another as he's been moving through his government career and a lot of my friends were surprised to learn that I was going to be testifying in support of him today and when I asked them why would they be surprised that I'd be testifying in support and they'd say you know we've heard you at testimony and we've heard the two of you talking on the radio and stuff how could you support him well Lester Carlson is the very model of the perfect in my opinion civil servant he has a unique distinction over the past six years he's the only government employee I've been able to get information now without a FOIA anytime I've needed information no matter what the subject was from Lester Carlson he made it possible for me to get the information I needed without having to jump through a lot of Hoops which I can't say for the rest of the agencies that I've had to deal with as Guam and my role at Guam citizens for public accountant accountability. Lester Carlson never dodges any phone calls when I get him on the phone he's tells me Ken I've only got 10 minutes before I've got a meeting if this takes longer let's schedule a time he returns calls when I do leave messages and I'm glad to see that tradition and his service to the community is continuing in this administration the same as it did in the last administration because even though we find ourselves often on opposite sides of an issue it's never been personal in all of our interactions he is provided enough information that I've been able to maybe come halfway towards this direction and at times I've seen him be able to come sort of a little bit towards my direction but the point is we need vigorous discussion on government policy because only through vigorous discussion on government policy does government policy get any better and in my in the last five years Lester Carlson has been one of the few government officials that would engage in vigorous discussion on policy most of the policy makers I would meet with they would listen to what I'd have to say and then they would give the following I'll take what you have said into consideration and then that's the end of the meeting a meeting with Lester Carlson is a give and take situation it is not a one-way conversation and it is important that we have passionate discussion on both sides of a topic or an issue and when we have passionate discussion on both sides it doesn't necessarily mean that he's right or I'm what it means is that we

are getting viewpoints aired out we're eliminating areas where there could be misunderstanding because one thing I don't have one thing I don't walk away from a conversation with Lester is a misunderstanding of where he stands and I'm sure that the day's coming ahead I will find myself on the opposite side of issues with Lester but that's okay we need people strong advocates on both sides of the many challenging issues that we have before this people before this body before this administration because it is only with that kind of vigorous discussion are we going to get good policy and like I said the first hundred days that he has been with the administration I haven't had many occasions to talk with him but I was pleased to see that the few occasions I have had to talk with him he is still the same person he was when he was in the Calvo Tenorio administration so I'm looking forward to more vigorous conversations in the days ahead but I never doubt for a moment that he is putting the best interest of the people of Guam first when he approaches any issue and so that's why I'm confident in dealing with him as a community advocate whether we agree or we disagree I know that in the at his core he's putting the people of Guam first I have seen that in his action since 2007 thank you very much I am glad I had the opportunity to sit here next to him for a change on a topic we both probably agree on.

Chairman Senator Joe S. San Agustin: Thank you sir we will now begin with Mr. Milton another biker but he's not in the proper attire but I understand he's got a that's right the role the other role that he gets really paid for.

Mr. Milton Morinaga: I have two attire good morning my name is Milton Morinaga and I'm the managing director for Kane Corporation and also, I sit on the board for Guam Visitors Bureau and also the board for the Chamber of Commerce in Guam. Håfa Adai to you and two members of the Committee on general government operation appropriation and housing thank you for allowing me to submit this testimony to the committee to support Mr. Lester Carlson appointment to serve as a director of Bureau of Budget and Management Research BBMR I'm confident that he has the necessary expertise to continue in his important role as a director of BBMR I've gotten to know Lester over the many years that I have been in Guam and a positive professional relationship between the two of us has developed over the years as a represent a large tourism industry investment in Guam I appreciate Lester's directness and honesty when discussing government finances and how it may impact our tourism industry and economy as whole his keen understanding of symbiosis between the public and private sectors is very important as a government of Guam works to secure stability and prosperity in the coming years Guam is going through a period of changes and it's crucial that the government of Guam has a data and information needed to most effectively manage the tax revenues cleaned from Guam's residents and business community Lester has years of institutional knowledge that we will ensure that this data information properly gathered utilized and he will greatly serve the Leon Guerrero/Tenorio Administration in its efforts to properly manage government resources I thank you again for this opportunity to provide testimony on his behalf and look forward to hopefully seeing his appointment being confirmed Si Yu'os Ma'ase'

Chairman Senator Joe S. San Agustin: Thank you sir, Mr. Birn.

Mr. Edward Birn: Thank You senator, Mr. Chairman, Senators good morning my name is Edward Birn, Director at the Department of Administration I'm appearing before you today to offer testimony in support of Mr. Lester L. Carlson Jr. nomination to the position of Director for the Bureau of Budget and Management & Research, I've had the honor of working with Lester since I became director at DOA in February 2018 the budget hearings which followed the enactment of the tax cuts

and Jobs Act required information from both of us regarding the effect on budget and cash flows and I quickly gained a great respect for his ability to understand and explain a difficult fiscal matter so that everyone could and could appreciate it Lester's experience in both budgeting and public finance is invaluable to the smooth running of the fiscal sector of any administration and by confirming him as director of BBMR this legislature can be assured that the complex budget process and control of costs which a budget director must manage is in good hands controlling cost is a task carried out by a Budget Manager and a financial executive within their fiscal disciplines Lester is highly skilled as his work he can make an agency director who has just suffered a stringent budget reduction feel as though he or she has just won the lottery a personal experience all this cost control and budget formation is performed with unfailing courtesy and thorough professionalism Lester's experience in public financial operations is an asset to any Administration Governor Leon Guerrero has chosen to reappoint him to be to be BMMR so that his experience and expertise can continue to be useful to her administration I would commend his appointment to the legislature I will look forward to working with him again should the legislature choose to confirm his nomination I hope it does Thank You Senators.

Chairman Senator Joe S. San Agustin: Thank you Mr. Birn I like to also recognize my colleagues that have joined me we have Speaker Tina Muna Barnes mame and Senator Jim Moylan, Primo Lester your next I like to also recognize we also have Mr. Mark Sablan from another biker no I like I said I just wondered if there was a Bike Fest maybe one day we need to do that here down in the legislature Mr. Carlson.

Mr. Lester Carlson: if I could serve the one thing that is interwoven with everybody that's in this room is family with Cheluship Milton's a member Marks a member even the guys from other clubs we ride but we ride for a community purpose all of you senators have seen us fundraising events funeral escorts we are this is the epitome back here of public service from a very broad spectrum of individuals who love to ride but more importantly love to serve with that sir Håfa Adai Mr. Chairman madam Speaker Senator Moylan Senator Castro Senator Terlaje my name is Lester Carlson I currently serve as a deputy director of the Bureau of Budget and Management research I present myself before this body today in furtherance of my nomination by Governor Lourdes Leon Guerrero to serve as a director of the Bureau and Bureau budget management research BBMR I'm truly honored at the trust and confidence Governor Leon Guerrero has in me to take the helm officially as the BBMR Director I've already had the chance thanks to the chairman to acknowledge family and friends without the love without the love and support people who have collectively contributed to shaping my life I truly honored to be here before you and the community I have been with BBMR since February of 2015 serving as deputy director along with several stints as acting director I have led BBMR since May of 2017 after the retirement of former BBMR Director Jose Calvo so effectively I have managed BBMR for almost two years during this time I have worked with the legislature in finalizing the fiscal 18 budget the fiscal 19 budget and just this past Monday BBMR on behalf of Governor Leon Guerrero submitted the executive budget request for fiscal year 2020 over the past three years I have strived to be more responsive to the needs of the legislature specifically with respect to making myself available to senators and staff to discuss policy issues and any number of associated inquiries this interaction with the legislature extends to this timely submission of fiscal notes which accompany each piece of proposed policy introduced by members of this body I have asked my staff to work on fiscal notes upon introduction of each bill in order to try to stay ahead of the process as opposed to waiting for a request from the committee on the chairman of rules BBMR works on fiscal notes demonstrates the intellect and dedication to service our island community which BBMR from top to bottom brings each and every day to each and every one of my staff here

at BBMR both past and present I thank you for your devotion to duty and professionalism as Mr. Burn mentioned earlier as a direct result of the tax cuts in jobs act of 2017 the government of Guam faced a mid-year fiscal awakening which had a sudden and adverse impact on the fiscal 2018 adopted tax revenues BBMR took the lead in submitting to the 34th Guam legislature a fiscal realignment plan in bill form which addressed increases in revenues and cuts in spending in order to avoid the inability of the government to provide basic services necessary and expected by our community the impact of the tax cuts and Jobs Act also increased result together in standard & poor's and moody's placing our general obligation and revenue bonds in credit watch with a negative outlook the foundation of the fiscal realignment plan served as the foundation for the passage of the fiscal 2019 budget these extended measures were without a doubt the primary factor in both standard & poor's and moody's subsequently removing our bonds from credit watch more recently BBMR issued a memorandum on January 2nd of this year placing over nine million dollars in territorial education facilities funds adopted revenues into reserve as a result of the veto of bill 373 - 34 which sought to address the 1 million or more increase in property taxes contained in the fiscal 2019 budget BBMR working hand-in-hand with the Department of Administration initiated this action in order to ensure discipline was maintained from both the budget allocation and a caste disbursement perspective as mentioned by Mr. Burn I possess a wealth of institutional knowledge and public finance having been involved in just about every financing whether it be a loan or a bond since 2000 my degree in finance and economics from the University of Guam has prepared me very well to lead these legislatively authorized financings over the years always with the focus on making seeking the best terms in the interests of the people of Guam I continue to provide guidance and input on economic diversity and tourism expansion via participation in a variety of working groups I'm a steadfast advocate of the promotion of Guam's economy as a means to enhance the quality of life for friends and family both on Guam in the Micronesia area my relationship with Mr. Morinaga has furthered that ability to be relevant in discussions and I'm very grateful for not only his friendship but for our continual dialogue in being able to promote Guam Mr. Chairman and members of the committee I am committed to assisting Governor Leon Guerrero and Lieutenant Governor Tenorio's vision to achieve fiscal stability effectuating meaningful change in the advancement of education health care Public Safety job creation infrastructure improvement and the economic expansion of our island in order to provide a brighter future for our families thank you for the opportunity to testify before you today I'm available to answer any questions the committee has relevant to my nomination to the position of Director of the Bureau and budget management research thank you very much.

Chairman Senator Joe S. San Agustin: Thank you Lester I'd have now ma'am Senator Aline Yamashita.

Senator Aline Yamashita: Thank you very much and excusing my not following the directions I checked I didn't check the right box.

Chairman Senator Joe S. San Agustin: Were good

Senator Aline Yamashita: Good morning Honorable Senators Senator Marsh Taitano Senator Terlaje Mr. Chairman Senators San Agustin Senator Castro Senator Moylan and madam Speaker Tina Muna Barnes it is the pleasure and pride that I support the confirmation of Mr. Lester Carlson to the directorship of the Department of Bureau Budget and Management Resources Lester has the genetics at the San Agustin Leon Guerrero's the natural ability to connect care and collaborate particularly during this time of our island in the world these competencies are greatly needed Lester has the genetics of the Carlson's he's simply smart uncle Les and Auntie Doll simply had the natural

intelligence of knowing and understanding they're smiling from above of love and we just naturally cry I guess and my dad is his Godfather who has been gone for 29 years Len has served this government for years the institutional knowledge he brings to the financial health and development of our island and region is invaluable the leadership is wise to ask him to continue serving he knows what has happened and what has not happened he understands the bond market scene but most importantly he cares about Guam he could have stayed in California but he came home his leadership does make a difference as a leader in our community as a mom a teacher and a daughter I believe such leaders like Mr. Lester Carlson but realize the promise of a healthy happy Island community for all of us all of us please support his confirmation Si Yu'os Ma'ase' thank you

Chairman Senator Joe S. San Agustin: Thank You Senator I'd like to also recognize colleague that has joined us Senator Kelly Marsh Lester warm up the bike next time when you're on your way over okay primo the rest of the bikers are wandering like a dude but that's okay I understand I would begin with first with the speaker if you have any questions you want to oppose them on the panel

Speaker Tina Muna Barnes: Si Yu'os Ma'ase' Mr. Chair, and thank you for giving me the opportunity to speak Ma'nana Si Yu'os Hamyu Todus sorry for my lateness I was in a meeting up at Adelup but I had to make sure that I told my Primo Les that I'd be here for him Amoretta I Prima I follow through I see my Nina in the back but to all of you here in support of my primo Lester will disclose that for the record I just want to say your experience not just working with the Leon Guerrero organization and administration you've been able to work on several administrations and I want you to know that you coming back home to make a difference you coming up after all the trials and tribulations that you had to personally endure and you've said you want to continue to do this for this island I want to say I stand and rise in full support for your confirmation Mr. Chair Mr. Carlson and I have worked on several bonding issues when I was the oversight chair of the airport he working closely with then-Senator Eddie Calvo then Governor Eddie Calvo and now working in the Leon Guerrero administration I know your expertise most recently working with making sure that our government employees and their retirees are afforded that opportunity to have the best health policy but more importantly to work with both hospitals here and your expertise in providing that and your leadership I have to say Lester's is admirable and not being afraid to stand in the front of a difficult decision and make that decision for the betterment of our residents here and I want to say thank you for stepping up to the plate because you could retire like me and you chose to continue so I want to say thank you to the family thank you for the family for being here but more importantly to the Biker's Un Dunk'ka'lu Na Si Yu'os Ma'ase' for taking the time to support your fellow rider in this effort to continue to help Guam move forth Sai'na Ma'ase' Mr. Chair and he's got my full support.

Chairman Senator Joe S. San Agustin: Thank you madam Speaker now I'm going to stick with the women the ladies first okay gentlemen start with Senator Kelly Marsh.

Kelly Marsh (Taitano): Si Yu'os Ma'ase' so I've been reading through the letters of recommendation and I got to you be here long enough to hear a couple of them as well so Sai'na Ma'ase' to everybody for coming here and for the time that it takes to prepare all of this think this through and step up to try to do what's right for the community so when reading through these and listening to the testimony I really liked hearing about the directness people testifying about honesty I mean obviously those are two extremely important qualities so those are very good to be hearing about and I think another good point that was made was we are in a period of change we've had a lot of switch over from directors to senators obviously and the administration is itself so with that it is extremely important to have those areas where we have that institutional knowledge to draw upon and so I think that is a real strength along with some of the others that have been mentioned and I just wanted to be able to highlight appreciating that and seeing the value in that Si Yu'os Ma'ase'.

Chairman Senator Joe S. San Agustin: Thank You Senator, Senator Therese Terlaje.

Senator Therese Terlaje: Thank You Mr. Chair thank you all for a testimony for being here this morning and of course Lester thank you for accepting this job again and for your work over all these years I know I first met you when you were at GEDA and you were there for very long I thought and so I have that kind of experience from the GEDA work and your work of course when I became a senator very helpful but this morning is the kind of a morning of surprises for me and understatement that's what I'm finding surprise first was when Ken Leon Guerrero was here to support you I made sure I checked this year here in supporter or against but so and I'm so very pleased to hear that the reason he's supporting of the reasons he's supporting you especially the responses to requests for information without the need for a FOIA is had become so rare and I very much appreciate and I know that the new governor that's she said that's going to be what she directs all her agencies but that's really what we need we need to make informed decisions too and so every bit of information that we can get and the quicker we can get it that's I think a necessity critical so I'm very glad to hear that I was also surprised because there's testimony from your colleagues from GEDA that it was you who thought of the idea about the BRAC Commission and or getting the excess land and following that law of how we could get our excess lands back and working with the broad Commission so that was a surprise to me I didn't know that so thank you I acknowledged that fiscal notes have been very much more consistent with your leadership and so thank you for that because in the past I was counsel for the legislature for many years and so many times fiscal notes just did not come in so they were making those decisions without really having that kind of a knowledge and of course your bond experience it's been very helpful even when you're at BBMR your bond experience is still helping us I remember you know there was a time last year when we were faced with that fiscal crisis or maybe two times last year when things were really heated and I was furious with you because of the way and you Mr. Burn too because of the way that the administration had proposed - to save - you know realign was pretty much on a non-selective across-the-board cut and I just thought we could do better than that and of course I thought I was very much opposed to the decision to close a fire station and close a police station and it felt so I'm just hoping that moving forward right and I know we're all dealing with what we have but I'm hoping that going forward that's going to be the last the last types of things on the chopping block and I know that it's your job at BBMR to toe the line to - to enforce when we are we haven't given an agency money I know you it's almost a bad guy job right to say no we're not going to allow you to spend over this amount at this time and because our revenues aren't looking promising or aren't looking up to par so I appreciate that that's the work that you have to do and it must not be fun all the time and I glad to hear Mr. Burn say that you actually have made it Pleasant for the agencies who have to get the brunt of that but so going forward yes I hope we're going to also just be able to share information quickly freely and ideas we need your ideas and of course yeah part of those tax cut I mean spending cuts that were like across the board was also at the same time that we were forced with choices of you raise tax or you don't fund you know your health or you know your GMH or you don't find so many critical DOE and so we're just going all have to work together and really come up with creative solutions and but I think flow of information is really the most important part so thank you again for the work that you do.

Chairman Senator Joe S. San Agustin: Thank You Senator, Senator Jim Moylan

Senator James Moylan: Thank You Mr. Chair, Mr. Carlson congratulations on your nomination obviously your job ethics and the work that you've done for the government thus far it was recognized by our Governor Lou Leon Guerrero so that's wonderful your experience there and the group of people that you brought with you is extremely impressive I like that I like everything I have

heard and I'm very impressed I think you'll do great work again and probably even a lot more and I've want to work closely with you throughout my term the thing I'm really impressed with is that you were working there and you're willing to come back so that's a good thing and you had the compassion to do so your number one there in my book and I totally support your nomination congratulations sir.

Chairman Senator Joe S. San Agustin: Thank You Senator, Senator Will

Senator Will Castro: Thank You Mr. Chairman. (Thank you to all who came, all the members of the Guam Hogs Che'luship Organization, all the employees of BBMR.) I thank you so much for coming. (But before i begin to say what I have to say about this candidate for Director, i want to make it very clear, because the chair of this committee said that the clothes i wear today are not formal) what I said basically was before I started I have to clarify for the public record although my good chairman called out my attire I must point it out that I am wearing a collared pressed shirt closed toe shoes and a pair of jeans Mr. Chairman. (But this is all I am going to tell you also, is why is it that I have to change my t-shirt if it does not change my feelings about him, this Christian/this person) let me go ahead and start you know I've it's rare that I've known Mr. Carlson for anywhere between four to six years depending on who's counting and I know when he's serious I like to think I know when he's serious because he called me by my last name as pronounced by almost everyone else which is Castro but when we're out on the street and we're riding as fellow bikers he calls me everything else and never Castro maybe (KÅSTRO) so I know he's serious and he actually stayed on script Mr. chairman since he started off a more formal tone let me go ahead and state publicly and for the record and for the benefit of my brothers and my sisters here that Mr. Carlson is a consummate professional he has nearly a dozen awards as formally educated has served at GEDA and BBMR this this is an important characteristic when you're looking at a hybrid Finance Manager not just a public administration but a public financing this speaks volumes of the administration's ability to recognize talent recognize people who are highly qualified and are willing to serve regardless of partisan affiliation and so I stand by the governor in her appointment and I applaud her and I part members of this body for publicly stating the support for Mr. Carlson I also wanted to say that just yesterday without mentioning his name Senator Terlaje the individual you referenced earlier shared a concept with me he said you know senator there are those with leadership positions on paraphrasing so he doesn't so it doesn't call me out for quoting him there are those with leadership positions and then there are those who lead and I want to highlight again for the public record that the amount of people in the room from a cross-section of this community as Senator Moylan accurately expresses is so impressive and if you know anything about bikers particularly the (*Che'lu-ship*) Organization there is no hierarchy it's like herding a bunch of cats they show up when they want they leave when they want and they only congregate around one thing 99.9% of the time and it's goodness and today they've gathered around the goodness of your nomination my brother so I want to thank you all also you have members of the agency that you lead you have a representative of a major corporation you have a representative of a Titan of this tourism industry you have public and federal employees you have Veteran's surrounding you I thank you for being the leader that you are Mr. Chairman Mr. Carlson is a man of very few words as we all experienced in the thirty-fourth Guam Legislature and he took his punches in a very fiscally fragile environment and yet to underscore was mention you've come back you've returned to serve Thank You (*Siha pã'go Mr. Chairman bai hu i'ina, sa' hunggan hu taitai nu i 'packet'-ña*) (Translate: Now Mr. Chairman I will show three qualities of this candidate that are missing in his packet (*i tomtom-mu, i hinengge-mu*) ,(Translate: *his strong and his believe and his sentimental ethics*) candidate for Director is very straightforward) Mr. chairman that concludes my statements in terms of his character and his exceptional professional qualifications thank you and I do have

another word for Senator Taitague if I may, she expresses her regrets Lester as you know she's experienced a death of a la immediate member of her family she has some very poignant testimony Lester if you remember correctly after the elections first thing I know you didn't tell your wife or your family I asked you are you being offered a job downtown if not you're working for me and unfortunately you're working for downtown but that's okay right Primo we can always work out the numbers and I'm happy to see the folks that have come out today to support you actually was hoping wasn't going to get this big but that's okay and unfortunate for senator cancer all it did was make my committee report take a little bit longer to complete (*sa mu fi'fi'nu CHamoru*) (*Translate: because we are speaking CHamoru*) you know then we have to translate it because somebody may attack us for not translating and writing it correctly but that's okay we'll be able to get it done and you know you have folks here that are in support of you and I do look forward to your confirmation on this month of April and if everything works right you're not Deputy no more you'll be the Director and you'll be easy to grab and call in and I say this because (*ma'parentis'hit*) (*Translate: we are related*) we'll just call you I got your cell number and you know and it was nice when I called you just told me Primo I just picked up my wife and my daughter I'll call you tomorrow I said okay that's okay you know you know happy wife is a happy life Lester and you need to remind yourself and all the fellow bikers need to remind themselves of that but you know that we have nothing else to there's no one else that was going to testify and I'm in support of your confirmation and I honestly believe that you the likelihood is you will be confirmed I am that confident that your packet will be ready even if it's submitted last minute for the floor it will be ready for a session all right Mr. Carlson there being none the committee will complete will conclude the public hearing for the appointee Lester L Carlson Jr. committee will continue to receive testimony for the next few days actually no later than Monday please address your written testimony through the committee on general government operation appropriation housing and submitted via email senatorjssanagustin@gmail.com Si Yu'os Ma'ase' for your attendance and participate in today's hearing and for those at home thank you for watching it is now 9:45 thank you and have a nice day.

III. FINDINGS & RECOMMENDATIONS:

The Committee on General Government Operations, Appropriations, and Housing hereby reports on the appointment of **Lester L. Carlson, Jr.** to serve as a **Director, Bureau of Budget and Management Research** with the recommendation TO DO CONFIRM.



Office of
SENATOR Joe S. San Agustin

I Mina' trentai Singko na Liheslaturan Guåhan Thirty-Fifth Guam Legislature

COMMITTEE VOTE SHEET

Nomination of

Lester L. Carlson, Jr.

Position: Director, Bureau of Budget and Management Research

Term Length – To serve at the pleasure of the Governor

Committee Members	Signature	TO DO CONFIRM	TO NOT CONFIRM	TO REPORT OUT ONLY	TO ABSTAIN	TO PLACE IN INACTIVE FILE
Senator Joe S. San Agustin <i>Chairman</i>		✓				
Senator Amanda L. Shelton <i>Vice Chairperson (Gen Govt Operations, Appr & Housing)</i>		✓				
Speaker Tina Muña Barnes <i>Member</i>		✓				
Senator William M. Castro <i>Member</i>		✓				
Senator Regine Biscoe Lee <i>Member</i>		✓				
Senator Kelly G. Marsh (Taitano), Ph.D. <i>Member.</i>		✓				
Senator James C. Moylan <i>Member</i>		✓				
Senator Louise B. Muna <i>Member</i>		✓				
Senator Clynton E. Ridgell <i>Vice Chairman (Appropriations)</i>		✓				
Senator Jose T. Terlaje <i>Member</i>		✓				
Senator Therese M. Terlaje <i>Member</i>						

Committee Chairman: General Government Operations, Appropriations, and Housing,

Ran - Care Commercial Building, CBU #230, 761 South Marine Corps Dr., Tamuning, Guam 96913

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