



CARL T.C. GUTIERREZ
GOVERNOR OF GUAM

Office of the Speaker
ANTONIO R. UNPINGCO

Date: Oct. 16, 1998

Time: 11:20 am

Rec'd by: [Signature]

Print Name: J. Roberts

OCT 16 1998

The Honorable Antonio R. Unpingco
Speaker
Mina'Bente Kuattro na Liheslaturan Guahan
Twenty-Fourth Guam Legislature
Guam Legislature Temporary Building
155 Hesler Street
Hagåtña, Guam 96910

OFFICE OF THE LEGISLATIVE SECRETARY

ACKNOWLEDGMENT RECEIPT

Received By [Signature]

Time 1:58 pm

Date 10.16.98

Dear Speaker Unpingco:

Enclosed please find Substitute Bill No. 601 (COR), "AN ACT TO REPEAL AND REENACT §§17102(g), 17102(i), 17103(c), 17107, 17109, 17118, 17119, 17122, 17131, 17142, 17143 AND 17146, AMEND §§17113, 17132 AND 17141, AND REPEAL §§17137, 17138, 17139, 17144, 17145 AND 17147, ALL OF CHAPTER 17, DIVISION 3 OF TITLE 17 OF THE GUAM CODE ANNOTATED RELATIVE TO AUTHORIZING I MAGA'LAHEN GUAHAN AND THE UNIVERSITY OF GUAM ("UOG") BOARD OF REGENTS TO ISSUE REVENUE BONDS OR BANK LOANS TO RENOVATE AND CONSTRUCT BUILDINGS AT UOG", which I have signed into law today as **Public Law No. 24-275**.

This legislation states that it authorizes the University of Guam to issue bonds up to a limit of \$25 Million for University projects. The projects that the money will be used for first are: 1) College of Business and Public Administration Building, 2) renovation and addition to the Student Center, 3) renovation of the Fine Arts Theater Building, 4) Executive and Administrative Building, and finally, 5) any other capital improvement projects approved by the Board of Regents.

The legislation is not complete, however, since bonds cannot be issued without returning for legislative approval of the final documentation. The final version of the bill was not reviewed by Guam's bond counsel before

01052

passage. Although preliminary work can be done immediately, funding will not be available without further legislative action.

Very truly yours,



Carl T. C. Gutierrez
I Maga'Lahen Guåhan
Governor of Guam

Attachment: copy attached for signed bill
 original attached for vetoed bill


cc: The Honorable Joanne M. S. Brown
 Legislative Secretary

01052

MINA'BENTE KUATTRO NA LIHESLATURAN GUAHAN
1998 (SECOND) Regular Session


CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUAHAN

This is to certify that Substitute Bill No. 601 (COR), "AN ACT TO REPEAL AND REENACT §§17102(g), 17102(i), 17103(c), 17107, 17109, 17118, 17119, 17122, 17131, 17142, 17143 AND 17146, AMEND §§17113, 17132 AND 17141, AND REPEAL §§17137, 17138, 17139, 17144, 17145 AND 17147, ALL OF CHAPTER 17, DIVISION 3 OF TITLE 17 OF THE GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING I MAGA'LAHEN GUAHAN AND THE UNIVERSITY OF GUAM ("UOG") BOARD OF REGENTS TO ISSUE REVENUE BONDS OR BANK LOANS TO RENOVATE AND CONSTRUCT BUILDINGS AT UOG," was on the 2nd day of October, 1998, duly and regularly passed.



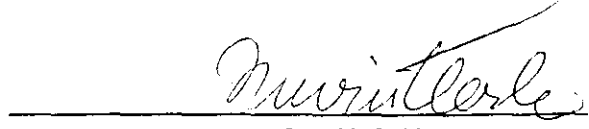
ANTONIO R. UNPINGCO
Speaker

Attested:



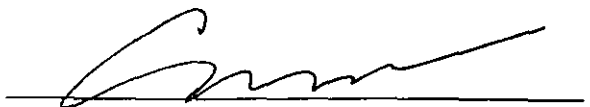
JOANNE M.S. BROWN
Senator and Legislative Secretary

This Act was received by *I Maga'lahaen Guahan* this 6th day of October, 1998,
at 9:00 o'clock P.M.



Assistant Staff Officer
Maga'lahi's Office

APPROVED:



CARL T. C. GUTIERREZ
I Maga'lahaen Guahan

Date: 10-16-98

Public Law No. 24-275

**MINA'BENTE KUATTRO NA LIHESLATURAN GUAHAN
1998 (SECOND) Regular Session**

Bill No. 601 (COR)

As substituted by the Committee on
Finance and Taxation and further
substituted on the Floor and
amended.

Introduced by:

A. C. Blaz
V. C. Pangelinan
L. F. Kasperbauer
T. C. Ada
F. B. Aguon, Jr.
J. M.S. Brown
Felix P. Camacho
Francisco P. Camacho
M. C. Charfauros
E. J. Cruz
W. B.S.M. Flores
Mark Forbes
A. C. Lamorena, V
C. A. Leon Guerrero
L. A. Leon Guerrero
J. C. Salas
A. L.G. Santos
F. E. Santos
A. R. Unpingco
J. T. Won Pat

**AN ACT TO REPEAL AND REENACT §§17102(g),
17102(i), 17103(c), 17107, 17109, 17118, 17119, 17122,
17131, 17142, 17143 AND 17146, AMEND §§17113, 17132
AND 17141, AND REPEAL §§17137, 17138, 17139, 17144,
17145 AND 17147, ALL OF CHAPTER 17, DIVISION 3
OF TITLE 17 OF THE GUAM CODE ANNOTATED,**

RELATIVE TO AUTHORIZING *I MAGA'LAHEN*
GUAHAN AND THE UNIVERSITY OF GUAM
("UOG") BOARD OF REGENTS TO ISSUE REVENUE
BONDS OR BANK LOANS TO RENOVATE AND
CONSTRUCT BUILDINGS AT UOG.

1 BE IT ENACTED BY THE PEOPLE OF GUAM:

2 Section 1. Legislative Findings and Intent. *I Liheslaturan Guahan*
3 finds that the College of Business and Public Administration, the Student
4 Center and the Administration facilities of the University of Guam have
5 reached the limits of their economic and operational usefulness and are
6 inadequate to accommodate increasing enrollments. Needed expansions to
7 accommodate the increasing numbers of students and the administration of
8 ever improving degree programs underscore the inadequacy of existing
9 facilities that were among the very first buildings constructed on campus.

10 Further, the impacts of the numerous typhoons and earthquakes have
11 taken their toll on these facilities rendering them unsafe or marginal for
12 further operational use.

13 Recognizing that such facilities have lived out their economic and
14 operational usefulness, it is paramount for the vibrancy of Guam that the
15 University of Guam engages in upgrading and rebuilding its facilities to meet
16 the Twenty-first Century.

17 Therefore, it is the intent of *I Liheslaturan Guahan* to authorize the
18 University of Guam to finance the upgrading of the College of Business and
19 Public Administration, the Student Center and the Administration facilities
20 and any other capital improvement projects approved by the Board of

1 Regents to accommodate the growing number of students within the
2 University and the expansion of educational programs.

3 **Section 2. Amendments to the University of Guam Revenue Bond
4 Act of 1966.** *I Liheslaturan Guahan* hereby finds and declares that the

5 following changes to the University of Guam Revenue Bond Act of 1966 are
6 necessary and appropriate to enable the Board of Regents of the University of
7 Guam (“University”) to explore the financing of the buildings at the
8 University of Guam consisting of the College of Business and Public
9 Administration Building, Executive and Administration Building, renovation
10 and addition to the Student Center Building, and any other capital
11 improvement projects approved by the Board of Regents for Twenty-five
12 Million Dollars (\$25,000,000). These changes are intended to enable the
13 University to finance these projects by either revenue bonds of the University
14 or by borrowing the necessary funds directly from one (1) or more banks or
15 other financial institutions.

16 **Section 3.** Section 17102(g) of Chapter 17, Division 3 of Title 17 of the
17 Guam Code Annotated is hereby *repealed and reenacted* to read as follows:

18 “(g) The term ‘*project*’ means any one or more capital projects of
19 the University, including, without limitation classroom buildings,
20 administration buildings, dormitories or other housing facilities, vehicle
21 parking facilities or any other auxiliary or supplementary facilities,
22 owned or operated or authorized to be acquired, constructed, furnished,
23 equipped and operated for use by the University, students, faculty
24 members or other employees, or a combination of such facilities, which
25 may include facilities already completed and facilities authorized for

1 future completion, designated by the Board as a project in providing for
2 the issuance of bonds.”

3 **Section 4.** Section 17102(i) of Chapter 17, Division 3 of Title 17 of the
4 Guam Code Annotated is hereby *repealed and reenacted* to read as follows:

5 “(i) The term ‘*revenues*’ means and includes any and all tuition,
6 fees, rates, rentals and other charges received or receivable in
7 connection with, and any and all other income and receipts of whatever
8 kind of character, derived by the Board from the operation of the
9 University or from the operation of or arising from a project.”

10 **Section 5.** Section 17103(c) of Chapter 17, Division 3 of Title 17 of the
11 Guam Code Annotated is hereby *repealed and reenacted* to read as follows:

12 “(c) To fix tuition, rates, rents or other charges of the University
13 or for the use of any project or for services rendered in connection
14 therewith, and to alter, change or modify the same at its pleasure,
15 subject to any contractual obligation which may be entered into by the
16 board with respect to the fixing of such tuition, rates, rents or charges.”

17 **Section 6.** Section 17107 of Chapter 17, Division 3 of Title 17 of the
18 Guam Code Annotated is hereby *repealed and reenacted* to read as follows:

19 “**Section 17107. Guam Not Liable for Bonds; Board Only Liable**
20 **as Provided by Indenture.** The Board, with the approval of *I*
21 *Maga’lahen Guåhan*, may enter into indenture providing for the
22 aggregate principal amount, provided that such aggregate amount
23 authorized by this Act shall not exceed Twenty-five Million Dollars
24 (\$25,000,000), date or dates, maturities, interest rates, denominations,
25 form, registration, transfer and interchange of any bonds and coupons

1 issued pursuant to this Chapter, and the terms and conditions on which
2 the same shall be executed, issued, secured, sold, paid, redeemed,
3 funded and refunded. Reference on the face of the bonds to such
4 indenture by its date of adoption, or the apparent date on the face
5 thereof, is sufficient to incorporate all of the provisions thereof, and of
6 this Chapter into the body of the bonds and their appurtenant coupons.
7 Each taker and subsequent holder of the attached to or detached from
8 the bonds, has recourse to all of the provisions of the indenture and of
9 this Chapter and is bound thereby.”

10 **Section 7.** Section 17109 of Chapter 17, Division 3 of Title 17 of the
11 Guam Code Annotated is hereby *repealed and reenacted* to read as follows:

12 **“Section 17109. Designation of Trustee for Board and Holders**
13 **of Bonds.** The Board may designate a bank, trust company or other
14 financial institution with trust powers, to act as trustee for the Board
15 and the holders of bonds issued hereunder, and the Board may
16 authorize the trustee to act on behalf of the holders of the bonds, or any
17 stated percentage thereof, and to exercise and prosecute on behalf of the
18 holders of the bonds such rights and remedies as may be available to the
19 holders. The Board may provide in an indenture for the deposit with
20 such trustee of all revenues securing the bonds, to be held in a separate
21 fund or account in the University Revenue Fund created pursuant to
22 this Chapter. The money in such fund shall be disbursed only as
23 provided in the indenture.”

24 **Section 8.** Section 17113 of Chapter 17, Division 3 of Title 17 of the
25 Guam Code Annotated is hereby *amended* to read as follows:

1 **“Section 17113. Interest on Bonds.** Bonds shall bear interest
2 at a rate of not to exceed eight percent (8%) per annum, payable
3 annually or semi-annually, or in part annually and in part semi-
4 annually.”

5 **Section 9.** Section 17118 of Chapter 17, Division 3 of Title 17 of the
6 Guam Code Annotated is hereby *repealed and reenacted* to read as follows:

7 **“Section 17118. Preparation of Bonds.** The Board shall
8 cause to be prepared the requisite number of suitable bonds of the
9 denominations and in accordance with the specifications contained in
10 the indenture.”

11 **Section 10.** Section 17119 of Chapter 17, Division 3 of Title 17 of
12 the Guam Code Annotated is hereby *repealed and reenacted* to read as follows:

13 **“Section 17119. Sale of Bonds.** Bonds authorized to be issued
14 under this Chapter shall be sold for cash, in accordance with the
15 provisions of a resolution authorizing such sale adopted by the Board.
16 Such resolution may provide that the bonds shall be sold at either public
17 or private sale, may fix terms and conditions for the sale or other
18 disposition of the bonds and may provide that the bonds shall be sold at
19 less than their par or face value, *except* that no bonds shall be sold at a
20 price below the par or par value thereof which will result in a sale price
21 yielding to the purchaser an average of more than eight percent (8%) per
22 annum, payable semi-annually.”

23 **Section 11.** Section 17122 of Chapter 17, Division 3 of Title 17 of
24 the Guam Code Annotated is hereby *repealed and reenacted* to read as follows:

1 **“Section 17122. Pledge of Revenues.** The Board, with the
2 approval of *I Maga’lahen Guahan* may provide that the bonds and the
3 interest thereon and the costs incurred in the issuance or administration
4 thereof shall be secured by all or any part of the revenues. Any pledge
5 made to secure the bonds shall be valid and binding from the time the
6 pledge is made. The revenues pledged and thereafter received by or on
7 behalf of the University or by any trustee shall be deposited in a
8 separate fund or account and shall be immediately subject to the lien of
9 such pledge without any physical delivery thereof or further act, and
10 the lien of such pledge shall be valid and binding against all parties
11 having claims of any kind in tort, contract or otherwise against the
12 University or such trustee, irrespective of whether the parties have
13 notice thereof. The indenture by which such pledge is created need *not*
14 be recorded. All such revenues, to the extent so pledged, are hereby
15 continuously appropriated for such purpose.”

16 **Section 12.** Section 17131 of Chapter 17, Division 3 of Title 17 of
17 the Guam Code Annotated is hereby *repealed and reenacted* to read as follows:

18 **“Section 17131. Board Has Full Charge of Completion of**
19 **Projects.** The Board has full charge of the acquisition, construction
20 and completion of authorized projects approved by *I Maga’lahen Guahan*
21 and shall proceed with such work forthwith and may construct any
22 project and acquire all property necessary therefor on such terms and
23 conditions as the Board may deem advisable; provided, the construction
24 and completion of the authorized projects shall be prioritized in the
25 following order:

- 1 (1) the College of Business and Public Administration
2 Building;
- 3 (2) the renovation and addition to the Student Center
4 Building;
- 5 (3) the renovation of the Fine Arts Theater Building;
- 6 (4) the Executive and Administration Building; and
- 7 (5) any other capital improvement projects approved by
8 the Board of Regents.

9 When any part of the work is to be done or performed by any
10 public body or by the United States, jointly, or in conjunction with the
11 Board, the portion of the cost thereof to be borne by the government of
12 Guam may be turned over to the United States or to any other public
13 body to be expended by it in the acquisition, construction or completion
14 of the project.”

15 **Section 13.** Section 17132 of Chapter 17, Division 3 of Title 17 of
16 the Guam Code Annotated is hereby *amended* to read as follows:

17 **“Section 17132. Title of Property to be in the University Subject**
18 **to Trust Declared in Favor of Bondholders; Tax Exemption.** Title to
19 all property acquired by or for the Board and the revenues and income
20 therefrom is in the University. The title to any moneys, revenues,
21 sinking funds, reserve funds and other funds created by this Chapter,
22 and the income thereof, pledged to the payment of the principal or
23 interest of any bonds issued thereunder, is subject to trusts declared in
24 favor of the bondholders. All such property, and in the income

1 therefrom, are exempt from all taxation by the government of Guam or
2 by any political subdivision or public corporation thereof.”

3 **Section 14.** Sections 17137, 17138 and 17139 of Chapter 17,
4 Division 3 of Title 17 of the Guam Code Annotated are hereby *repealed*.

5 **Section 15.** Section 17141 of Chapter 17, Division 3 of Title 17 of
6 the Guam Code Annotated is hereby *amended* to read as follows:

7 **“Section 17141. Right of Bondholders to Bring Action.** Subject
8 to any limitations that may be prescribed by the indenture, the holder of
9 any bond issued pursuant to this Chapter, may, by mandamus or other
10 appropriate proceeding, require and compel the performance of any of
11 the duties imposed upon or assumed by the Board, *I Maga’lahen Guåhan*,
12 the Director of Administration, or any other officer or agency of the
13 government of Guam, or any employee of any thereof, in connection
14 with the acquisition, construction, operation, maintenance, repair,
15 reconstruction or insurance of any project or the collection, deposit,
16 investment, application and disbursement of tuition, rents, rates,
17 charges, fees and all other revenues derived from the operation of the
18 University or the operation and use of any project or in connection with
19 the deposit, investment and disbursement of the proceeds received from
20 the sale of bonds issued pursuant to this Chapter. The enumeration of
21 such rights and remedies does *not*, however, exclude the exercise or
22 prosecution of any other rights or remedies available to the holders of
23 bonds issued pursuant to this Chapter.”

24 **Section 16.** Section 17142 of Chapter 17, Division 3 of Title 17 of

1 the Guam Code Annotated is hereby *repealed and reenacted* to read as follows:

2 **“Section 17142. University Construction Fund.** The indenture
3 may create a fund designated as the University Construction Fund and
4 may create one (1) or more accounts therein. The proceeds from the sale
5 of the bonds issued under the indenture shall be deposited in such fund
6 or in such account thereof as may be specified by the indenture, and
7 shall account thereof as may be specified by the indenture and shall be
8 expended for the purposes authorized by this Chapter, as provided in
9 the indenture relating to such bonds.”

10 **Section 17.** Section 17143 of Chapter 17, Division 3 of Title 17 of
11 the Guam Code Annotated is hereby *repealed and reenacted* to read as follows:

12 **“Section 17143. University Revenue Fund.** The indenture may
13 provide for the creation of a fund to be designated as the University
14 Revenue Fund and may create one (1) or more accounts therein. All
15 revenues pledged to secure bonds shall be deposited as provided in the
16 indenture authorizing the issuance of such bonds and shall be used for
17 the purposes provided by this Chapter and by the indenture
18 authorizing the issuance of such bonds.”

19 **Section 18.** Sections 17144 and 17145 of Chapter 17, Division 3 of
20 Title 17 of the Guam Code Annotated are hereby *repealed*.

21 **Section 19.** Section 17146 of Chapter 17, Division 3 of Title 17 of
22 the Guam Code Annotated is hereby *repealed and reenacted* to read as follows:

23 **“Section 17146. Investment of Money in Funds.** Monies in the
24 University Construction Fund and the University Revenue Fund may be

1 invested, subject only to such limitations as may be provided in the
2 indenture providing for the issuance of the bonds. All interest or other
3 investment earnings received pursuant to such investments shall be
4 deposited to the credit of the fund or account from which such interest
5 or other investment earnings are derived, unless otherwise provided in
6 the indenture.”

7 **Section 20.** Section 17147 of Chapter 17, Division 3 of Title 17 of
8 the Guam Code Annotated is hereby *repealed*.

9 **Section 21. Approval of University of Guam Bonds.**

10 (a) **Approval.** *I Liheslaturan Guahan*, pursuant to Paragraph (k)
11 of §50103 of Title 12 of the Guam Code Annotated, hereby approves the
12 issuance and sale by the Board of Regents of the University of Guam of
13 revenue bonds in a principal amount not to exceed Twenty-five Million
14 Dollars (\$25,000,000) for the purposes of financing the buildings at the
15 University of Guam consisting of the College of Business and Public
16 Administration Building, Executive and Administration Building,
17 renovation and addition to the Student Center Building and any other
18 capital improvement projects approved by the Board of Regents;
19 provided, that such bonds have a final maturity not later than December
20 1, 2028, bear interest at such rate and are sold for such price or prices as
21 shall result in a yield to the bondholders not exceeding eight percent
22 (8%) per annum, and are issued and sold pursuant to a certificate of *I*
23 *Maga'lahaen Guahan* in substantially the same form as presented to *I*
24 *Liheslaturan Guahan*.

1 **(b) Terms and Conditions Determined by Certificate.** The
2 terms and conditions of the revenue bonds issued under Subsection (a)
3 of this Section shall be as determined by *I Maga'lahaen Guahan* by the
4 execution of a certificate authorizing the issuance of the bonds upon or
5 prior to the issuance of the bonds; provided, however, that such terms
6 and conditions shall be consistent with this Section, and that the bonds
7 shall mature *not* later than December 1, 2028 and shall bear interest at
8 such rates and be sold for such price or prices as shall result in a yield to
9 the bondholders not exceeding eight percent (8%) per annum.

10 **Section 22. Severability.** If any provision of this Law or its
11 application to any person or circumstance is found to be invalid or contrary to
12 law, such invalidity shall not affect other provisions or applications of this
13 Law which can be given effect without the invalid provisions or application,
14 and to this end the provisions of this Law are severable.



The Honorable Antonio R. Unpingco
Speaker, 24th Guam Legislature
Agana, Guam

June 30, 1998

LEGISLATIVE
COMMITTEE
MEMBERSHIP

Chairman
Finance & Taxation

Vice-Chairman
Rules,
Government Reform
& Federal Affairs

Education

Natural Resources

Health &
Human Services

Tourism, Economic
Development & Cultural
Affairs

Judiciary,
Public Safety &
Consumer Protection

Transportation,
Telecommunications, &
Micronesian Affairs

MEMBERSHIP

Guam Finance
Commission

Commission on Self
Determination

Via: Committee on Rules ✓

Dear Mr. Speaker:

The Committee on Finance & Taxation, to which was referred Bill No. 601: "AN ACT TO AMEND SECTION 1 OF PUBLIC LAW NO. 23-14 AND TO REPEAL AND REENACT SECTIONS 4 AND 5 OF SUCH PUBLIC LAW AND §22425 OF TITLE 5, GUAM CODE ANNOTATED, TO AUTHORIZE THE GOVERNOR OF GUAM TO ISSUE TWENTY-FIVE MILLION DOLLARS (\$25,000,000) IN GOVERNMENT OF GUAM GENERAL OBLIGATION BONDS OR, ALTERNATIVELY, TO AUTHORIZE THE BOARD OF REGENTS OF THE UNIVERSITY OF GUAM TO OBTAIN FINANCING THROUGH REVENUE BONDS OR BANK LOANS, TO CONSTRUCT A NEW ADMINISTRATION BUILDING, RENOVATE AND REFURBISH THE STUDENT CENTER BUILDING AND CONSTRUCT NEW BUILDINGS FOR THE COLLEGE OF BUSINESS AND PUBLIC ADMINISTRATION AT THE UNIVERSITY OF GUAM" herein reports back with the recommendation TO DO PASS Bill No. 601, as substituted by the Committee.

Votes of the committee members are as follows:

- 9 To Pass
- 1 Not to Pass
- To the Inactive File
- Abstained

Sincerely,





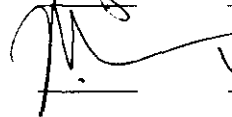
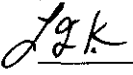
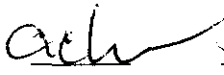
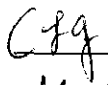

ANTHONY C. BLAZ
Attachment

COMMITTEE ON FINANCE & TAXATION
TWENTY-FOURTH GUAM LEGISLATURE
 155 Hesler Street, Agana, Guam 96910

Chairman: Vice Speaker Anthony C. Blaz Vice Chairman: Senator Mark Forbes Ex-Officio Member: Speaker Antonio R. Unpingco
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VOTING SHEET ON:

Bill No. 601(COR), as substituted by the Committee, "AN ACT TO AMEND SECTION 1 OF PUBLIC LAW NO. 23-14 AND TO REPEAL AND REENACT SECTIONS 4 AND 5 OF SUCH PUBLIC LAW AND §22425 OF TITLE 5, GUAM CODE ANNOTATED, TO AUTHORIZE THE GOVERNOR OF GUAM TO ISSUE TWENTY-FIVE MILLION DOLLARS (\$25,000,000) IN GOVERNMENT OF GUAM GENERAL OBLIGATION BONDS OR, ALTERNATIVELY, TO AUTHORIZE THE BOARD OF REGENTS OF THE UNIVERSITY OF GUAM TO OBTAIN FINANCING THROUGH REVENUE BONDS OR BANK LOANS, TO CONSTRUCT A NEW ADMINISTRATION BUILDING, RENOVATE AND REFURBISH THE STUDENT CENTER BUILDING AND CONSTRUCT NEW BUILDINGS FOR THE COLLEGE OF BUSINESS AND PUBLIC ADMINISTRATION AT THE UNIVERSITY OF GUAM."

<u>COMMITTEE MEMBERS</u>	<u>INITIAL</u>	<u>TO PASS</u>	<u>NOT TO PASS</u>	<u>ABSTAIN</u>	<u>TO PLACE IN INACTIVE FILE</u>
Sen. Anthony C. Blaz <i>Chairman</i>		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Mark Forbes <i>Vice-Chairman</i>	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Spkr. Antonio R. Unpingco <i>Ex-Officio Member</i>	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Thomas C. Ada <i>Member</i>		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Joanne M.S. Brown <i>Member</i>	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Mark Charfauros <i>Member</i>		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Edwardo J. Cruz <i>Member</i>		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. William B.S.M. Flores <i>Member</i>		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Lawrence F. Kasperbauer <i>Member</i>		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Alberto A.C. Lamorena, V <i>Member</i>		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Carlotta A. Leon Guerrero <i>Member</i>		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. John C. Salas <i>Member</i>		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Francis E. Santos <i>Member</i>	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



Committee on Finance & Taxation

Vice Speaker Anthony C. Blaz, Chairman

***Committee Report on
Bill No. 601***

(As substituted by the Committee)

"AN ACT TO AMEND SECTION 1 OF PUBLIC LAW NO. 23-14 AND TO REPEAL AND REENACT SECTIONS 4 AND 5 OF SUCH PUBLIC LAW AND §22425 OF TITLE 5, GUAM CODE ANNOTATED, TO AUTHORIZE THE GOVERNOR OF GUAM TO ISSUE TWENTY-FIVE MILLION DOLLARS (\$25,000,000) IN GOVERNMENT OF GUAM GENERAL OBLIGATION BONDS OR, ALTERNATIVELY, TO AUTHORIZE THE BOARD OF REGENTS OF THE UNIVERSITY OF GUAM TO OBTAIN FINANCING THROUGH REVENUE BONDS OR BANK LOANS, TO CONSTRUCT A NEW ADMINISTRATION BUILDING, RENOVATE AND REFURBISH THE STUDENT CENTER BUILDING AND CONSTRUCT NEW BUILDINGS FOR THE COLLEGE OF BUSINESS AND PUBLIC ADMINISTRATION AT THE UNIVERSITY OF GUAM."

ORIGINAL BILL 601 (COR)



Committee on Finance & Taxation

Vice Speaker Anthony C. Blaz, Chairman

***Committee Report on
Bill No. 601***

"AN ACT TO AMEND SECTION 1 OF PUBLIC LAW NO. 23-14 AND TO REPEAL AND REENACT SECTIONS 4 AND 5 OF SUCH PUBLIC LAW AND §22425 OF TITLE 5, GUAM CODE ANNOTATED, TO AUTHORIZE THE GOVERNOR OF GUAM TO ISSUE TWENTY-FIVE MILLION DOLLARS (\$25,000,000) IN GOVERNMENT OF GUAM GENERAL OBLIGATION BONDS OR, ALTERNATIVELY, TO AUTHORIZE THE BOARD OF REGENTS OF THE UNIVERSITY OF GUAM TO OBTAIN FINANCING THROUGH REVENUE BONDS OR BANK LOANS, TO CONSTRUCT A NEW ADMINISTRATION BUILDING, RENOVATE AND REFURBISH THE STUDENT CENTER BUILDING AND CONSTRUCT NEW BUILDINGS FOR THE COLLEGE OF BUSINESS AND PUBLIC ADMINISTRATION AT THE UNIVERSITY OF GUAM."



Committee on Finance & Taxation

Vice Speaker Anthony C. Blaz, Chairman

Committee Report on Bill No. 601(COR)

(As substituted by the Committee on finance and Taxation)

"AN ACT TO AMEND SECTION 1 OF PUBLIC LAW NO. 23-14 AND TO REPEAL AND REENACT SECTIONS 4 AND 5 OF SUCH PUBLIC LAW AND §22425 OF TITLE 5, GUAM CODE ANNOTATED, TO AUTHORIZE THE GOVERNOR OF GUAM TO ISSUE TWENTY-FIVE MILLION DOLLARS (\$25,000,000) IN GOVERNMENT OF GUAM GENERAL OBLIGATION BONDS OR, ALTERNATIVELY, TO AUTHORIZE THE BOARD OF REGENTS OF THE UNIVERSITY OF GUAM TO OBTAIN FINANCING THROUGH REVENUE BONDS OR BANK LOANS, TO CONSTRUCT A NEW ADMINISTRATION BUILDING, RENOVATE AND REFURBISH THE STUDENT CENTER BUILDING AND CONSTRUCT NEW BUILDINGS FOR THE COLLEGE OF BUSINESS AND PUBLIC ADMINISTRATION AT THE UNIVERSITY OF GUAM."

I. OVERVIEW:

The Committee on Finance and Taxation held a public hearing on Friday, April 17, 1998 at 2:00 p. m. in the Committee on Finance

and Taxation Conference Room to hear public testimony on Bill 601 (COR). Public Notice was announced and published on Sunday, April 22, 1998 issues of the Pacific Daily News.

II. COMMITTEE MEMBERS PRESENT:

The hearing was called to order by the Chairman of the Committee on Finance and Taxation, Vice Speaker Anthony C. Blaz.

Other members of the Committee on Finance and Taxation present were:

Senator Edwardo J. Cruz, Member

Senator Lawrence F. Kasperbauer, Member

Other Senators present were:

Senator Francisco P. Camacho

Senator Frank B. Aguon

Providing Public Testimony on the Bill:

Mr. Jesse A. Leon Guerrero, Acting Chairman, Board of Regent, University of Guam (UOG), Written/Oral

Dr. Jose Nededog, President UOG, Oral

Mr. Peter F. Perez, Legal Counsel, UOG, Oral

Mr. Mark Heath, Comptroller, UOG, Oral

Dr. Carmen Fernandez, V/P Finance & Administration, UOG, Oral

Dr. Clyde Sauget, Dean, College of Business and Public Administration, UOG, Written

Dr. John Ph. .p, Acting Dean, College of Business and Public Administration, UOG, Oral

Mr. Ed L. G. Untalan, Administrator, Guam Economic Development Authority, Written/Oral

Mr. A. Taitano, Guam Economic Development Authority, Oral

III. BACKGROUND ON BILL 548:

Findings of Necessity and Declaration of Purposes.

The Guam Legislature finds that the College of Business and Public Administration, the Student Center and the Administration building have reached its economic and operational use and are extremely inadequate to accommodate the increasing number of students enrolled. The need to expand to accommodate the increasing numbers of students and the degree programs within the college have disclosed the inadequacy of these facilities that were among the very first buildings constructed on this campus.

Further, the result of the numerous typhoons and earthquakes have taken its toll on these facilities rendering them unsafe for further operational use.

Finally, these facilities have lived out its economic and operational use and the University of Guam must commence to upgrade and rebuild its facilities to meet the twenty-first century.

Therefore, it is the intent of the Guam Legislature to authorize the University of Guam to finance the upgrading of the College of Business and Public Administration, the Student Center and the Administration building to accommodate the growing number of

students within the university and the expansion of educational programs.

SUMMARY OF TESTIMONIES:

FAVORABLE:

Mr. Jesse A. Leon Guerrero, Acting Chairman, Board of Regent, University of Guam, opened the testimony on Bill 601 by submitting his written testimony for the record. He then went to summarize the operation of the University of Guam and its Capital Improvement plans. He indicated that the only other improvement yet to be done is the reconstruction of Building A & B and the Administration Building, the three buildings that were the first to be built when the University of Guam, then College of Guam, was moved from Maite to its present location. He further elaborated that the present Student Center needed to be rehabilitated because of the damages suffered during the earthquake and the recent typhoons.

President Nededog presented his oral testimony supporting the testimony submitted by the acting Chairman and elaborated by stating that the need is now greater than the \$23 million cited in the proposed bill but will not be over \$25 million and recommend that the proposed bill be amended to read not to exceed \$25 million.

Dr. Sauget, Dean of the College of Business and Public Administration submitted his written testimony for the record supporting the earlier testimonies submitted by the acting Chairman as well as the President of the University of Guam.

Dr. John Phillips, Acting Dean of the College of Business and Public Administration turned in Dr. Sauget's written testimony and submitted his own oral testimony supporting enactment of Bill 601

and supporting the earlier testimonies submitted by the Acting Chairman as well as the President of the University of Guam

Mr. Ed Untalan, Administrator of Guam Economic Development Authority (GEDA), submitted his testimony suggesting that the committee defer acting on the proposed bill until such time as GEDA's bond counsel has completed his review of the proposed legislation. The Chairman of the Committee on Finance and Taxation stated that there is no problem substituting the proposed bill as soon as the suggestions are received from GEDA's bond counsel. In the mean time, the bill, as proposed will be pursued.

All written testimonies are attached and made part of this committee report.

UNFAVORABLE:

No one testified against Bill 601.

COMMITTEE RECOMMENDATION:

The Committee, having conducted a sufficient hearing, does hereby recommend to the Legislature **TO DO PASS**, as substituted by the Committee, **Bill 601(COR)- "AN ACT TO AMEND SECTION 1 OF PUBLIC LAW NO. 23-14 AND TO REPEAL AND REENACT SECTIONS 4 AND 5 OF SUCH PUBLIC LAW AND §22425 OF TITLE 5, GUAM CODE ANNOTATED, TO AUTHORIZE THE GOVERNOR OF GUAM TO ISSUE TWENTY-FIVE MILLION DOLLARS (\$25,000,000) IN GOVERNMENT OF GUAM GENERAL OBLIGATION BONDS OR, ALTERNATIVELY, TO AUTHORIZE THE BOARD OF REGENTS OF THE UNIVERSITY OF GUAM TO OBTAIN FINANCING THROUGH REVENUE BONDS OR BANK LOANS, TO CONSTRUCT A NEW ADMINISTRATION BUILDING, RENOVATE AND**

REFURBISH THE STUDENT CENTER BUILDING
AND CONSTRUCT NEW BUILDINGS FOR THE
COLLEGE OF BUSINESS AND PUBLIC
ADMINISTRATION AT THE UNIVERSITY OF
GUAM."

University of Guam
Tuition Projections

	ACTUAL	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
Tuition Revenue	AY 97-98	AY 98-99	AY 99-2000	AY 00-01	AY 01-02	AY 02-03
Fall	2,572,805	2,830,086	3,113,094	3,424,403	3,766,844	4,143,528
Spring	2,332,515	2,565,767	2,822,343	3,104,577	3,415,035	3,756,539
Total	4,905,320	5,395,852	5,935,437	6,528,981	7,181,879	7,900,067
Increase in tuition revenue compared with AY 97-98		490,532	1,030,117	1,623,661	2,276,559	2,994,747



Committee on Finance & Taxation
Vice Speaker Anthony C. Blaz, Chairman

**Committee Report on
Bill No. 601**

(As substituted by the Committee)

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SIGN SHEETS



Committee on Finance & Taxation

Vice Speaker Anthony C. Blaz, Chairman

**Committee Report on
Bill No. 601**

(As substituted by the Committee)

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TESTIMONIES



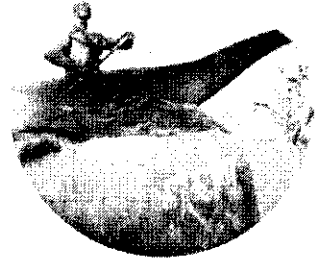
Carl T.C. Gutierrez
Governor

GUAM

ECONOMIC DEVELOPMENT AUTHORITY

ATURIDAD INADILANTON IKUNUMIHAN GUAHAN

An Autonomous Agency of the Government of Guam, U.S.A.



Madeleine Z. Bordallo
Lieutenant Governor

April 17, 1998

Vice-Speaker Anthony C. Blaz
Guam Legislature
155 Hesler Street
Agana, GU 96910
Fax: 472-3557/58

SUBJECT: BILL NO. 601 - \$23 MILLION UOG FINANCING

Dear Mr. Vice-Speaker,

Although this Bill is directly related to our responsibilities here at GEDA, time constraints prevent me from submitting a formal testimony for today's public hearing. As with all financings requiring a bond issue, GEDA relies on bond counsel's opinion when reviewing related legal documents. Currently copies of the bill are with bond counsel and also GEDA legal counsel. Their responses and, additionally, GEDA's response will be available on Tuesday, April 21, 1998. I am requesting that you allow GEDA's testimony be submitted to your office by end of business Tuesday.

If you have any questions or comments, please do not hesitate to call me at 647-4303 or by fax at 649-4146. I look forward to your response to this request.

Sincerely,


Ed Ontalan
Administrator

EGU/lct

cc: GEDA Deputy Administrator
GEDA Chief Financial Officer
GEDA Public Finance Officer
Bond Counsel
GEDA Legal Counsel

GUAM, USA
THE ULTIMATE DESTINATION



UNIVERSITY OF GUAM
UNIBETSEDÁT GUAHAN

COLLEGE OF BUSINESS AND PUBLIC ADMINISTRATION

UOG Station, Mangilao, Guam 96923

Telephone: (671) 734-9540/9225 Fax: (671) 734-5362

April 15, 1998

Vice Speaker Anthony C. Blaz
Twenty-Fourth Guam Legislature
155 Hessler Street
Agana, Guam

Dear Vice Speaker,

On behalf of the students, faculty and staff of the College of Business and Public Administration of the University of Guam, I wish to thank you for your invitation to testify before your committee regarding our needs for a new building to house our college at the university. Since I will be off-island during this hearing, I have asked Professor John Phillips, Acting Dean, to present this testimony on my behalf.

The College of Business and Public Administration (CBPA) is a career-oriented professional college of the University. Its aim is to prepare students for management positions in business and government and other institutions serving the welfare of the community. CBPA's emphasis is on improving the quality and quantity of professional human resources, which will shape the economic and political development of Guam and the Western Pacific region. As one of the largest colleges CBPA, has 822 undergraduate students in Accounting, Criminal Justice, Finance & Economics, International Business, International Tourism, Management, Marketing, and Public Administration. There are also have 67 graduate students in the MBA and MPA programs. Significant accomplishments for FY'97:

In 1997, we conferred 119 baccalaureate degrees and 25 Master degrees, including the first degree in International Tourism. We commissioned 19 officers through the Senior Army ROTC program.

To meet the needs of our working adults, who make up 90% of our graduate student body, all MBA classes were changed from two meetings per week to once a week.

All of our programs continue to grow as we add additional courses in Accounting, Human Resources, International Tourism, and Paralegal studies. A new computer classroom was put into operation as the result of a \$60,000 donation from Hongkong Bank. This classroom is used primarily by those classes needing advanced computer technology as part of the class process.

We have obtained six \$2,000 annual scholarships from Guam Savings and Loan. Three of these are for Palau residents and three are for CNMI residents. Our Accounting program has raised over \$300,000 through an off-campus relationship with Toranomon Accounting School of Japan. Sixty-five of these students came to Guam in November 1997 to take the CPA exam and over 200 are expected next month. This resulted in multiple hotel nights and related tourism expenditures

in addition to the fees paid to the Guam CPA Board. The results of this program to date have been:

1. Faculty and staff computers have been upgraded.
2. Original computer classroom and the computer lab have been upgraded.
3. Funds have been used to support some of the A&E for the new building.
4. Future proceeds will be set aside for the furniture, fixtures and equipment for the new CBPA building.

We established the Palau Pacific Hotel School as a cooperative venture with Pan Pacific Hotels and Resorts of Singapore to help train local talent for Palau. We sponsored three seminars through the tourism program – “Southern Ecotourism Conference”, “Ecotourism Success of Belize”, and “Marketing Guam’s Tourism Products to the Japanese via the Internet.

A weekly K-57 radio talk show, “Tourism and You” introduced, hosted by International Tourism faculty and an Executive seminar held for Dung-Bu Insurance, Korea. Forty senior salespeople and executives, and their spouses, visited Guam for the first time.

We have done much to improve the college and the programs offered. However our major drawback is, and continues to be, our present physical facility, Building A.


Building A, built in the 1950’s no longer meets the needs of the students and faculty of the college due to inadequate classrooms, severely antiquated and limited restrooms, and serious structural problems due to earthquakes. We frequently have pieces of concrete falling from the ceiling where it has been weakened by a combination of earthquakes and rusting reinforcing rods.

Years ago, when the classrooms were modified to add air conditioners the modifications severely impacted acoustics, making it a very difficult environment to teach or learn in. In addition, there is no access to the second floor for students, faculty and staff with physical disabilities; thus we are unable to meet ADA requirements for access.

New technological developments in professional education necessitate an environment that is incompatible with the current building that is beyond rehabilitation. We have no space for adding multimedia facilities or related electronic equipment.

The Governor’s Vision 2001 calls for an expanded College of Business and Public Administration. This requires a physical facility that will keep pace with program initiatives that have expanded both on-island and within the Asian-Pacific region.

We, the College of Business and Public Administration stand ready to answer this call, but we need your help in funding the physical structure that is needed in order to deliver the quality education that our students deserve and that they should expect from such a college. We realize there are many needs with which this august body must contend. However, we urge you to please keep the needs of our students, the future leaders of our island foremost in mind. The building, as envisioned, will also add to our fundraising capabilities by enabling us to host business executives from foreign corporations in executive programs and seminars delivered in a modern, learning-oriented environment.


Clyde Sauget
Dean



University of Guam
Unibetsedåt Guahan
OFFICE OF THE PRESIDENT
UOG Station, Mangilao, Guam 96923
Telephone: (671) 735-2990 • Fax: (671) 734-2296

April 17, 1998

Honorable Anthony C. Blaz
Chairman, Committee on Finance and Taxation
Twenty-Fourth Guam Legislature
155 Hesler Street
Agana, GU 96932

**SUBJECT: TESTIMONY TO BILL 601 AN ACT TO AMEND SECTIONS 1, 2, 4
AND 5 OF PUBLIC LAW NUMBER 22-19**

Dear Chairman Blaz:

Bill 601 is the first bill in the history of the University of Guam (UOG) and the Guam Legislature, whereby the University shall be authorized to seek the necessary funding sources in order to build the new College of Business and Public Administration, Student Center and Administration Buildings.

I would like to express my sincerest appreciation to you as Chairman of the Committee on Finance and Taxation, and others who have reaffirmed their support of higher education through the introduction and passage of legislation critical to the growth and progress of the University of Guam.

The University of Guam supports the education of approximately 3500 students each semester, many of which are students majoring in various programs within the College of Business and Public Administration. The College of Business and Public Administration has consistently been one of the leading colleges in terms of the number of students we graduate each commencement.

Our students represent a large number Guam's work force contributing to the economy of our islands particularly within our leading industry: tourism. To further support our island's economy, an International Tourism Program was implemented. Our contributions are great and continue to grow as the need for educated and capable professionals increase.

The University of Guam has been in existence for over 46 years. Since its establishment in 1952, the University of Guam remains the only four-year liberal arts institution of higher learning in the Western Pacific region and is approved by the Western Association of Schools and Colleges. Our location poses a major geographical advantage, Guam is within five hours of every major Far Eastern capital on a direct flight to or from Guam. Within these destinations Guam is the only American institution which offers courses in higher education.

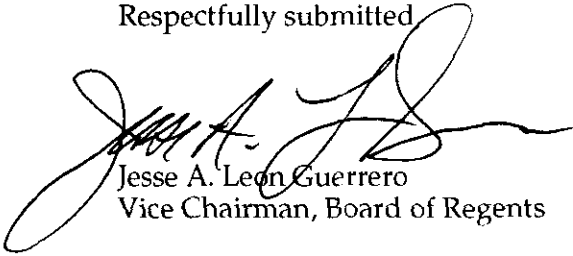
In its quest for excellence, the University of Guam has constructed new buildings to accommodate the needs of its growing student population. To boast, the University of Guam erected a building complex which houses the Learning Resources Center, the Micronesian Area Research Center and the Center for Continuing Education. The College of Education and the College of Arts and Sciences have state of the art facilities to accommodate the classroom and laboratory needs of its students.

However, the College of Business and Public Administration remains in one of the two original buildings erected in 1960. Since then, the buildings have undergone major natural occurrences and is in dire need of replacement in its entirety.

It is our hope that our students in the College of Business and Public Administration will one day utilize and access a building with state of the art classrooms and learning centers. Our students have waited too long for this new College of Business and Public Administration.

The members of our Board have heard the voices of our students and on behalf of the Chairman and members of the University of Guam Board of Regents, we strongly support the passage of Bill 601 to authorize the Governor of Guam to issue Twenty-Five Million Dollars (\$25,000,000) of Government of Guam General Obligation Bonds or authorization for the University to pursue and acquire the necessary financing through revenue bonds or bank loans for the purpose of constructing a new College of Business and Public Administration Building, renovation and refurbishment of the Student Center Building and construction of a new Administration Building.

Respectfully submitted



Jesse A. Leon Guerrero
Vice Chairman, Board of Regents

Sponsored By:

*J.U. Torres, Chairman
Jesse Leon Guerrero, Vice Chairman
Rita Guedon, Treasurer
David L.G. Shimizu, Regent
Peter B. Melnyk, Regent
Franklin J. Quitugua, Regent
Marie R. Nelson, Regent
Donna Muna-Quinata, Regent
Marie Gascon, Student Regent*



UNIVERSITY OF GUAM UNIBETSEDÁT GUAHAN

BOARD OF REGENTS

RESOLUTION NO. 97- 33

RELATIVE TO REQUEST LEGISLATIVE APPROVAL FOR THE FINANCING OF THE COLLEGE OF BUSINESS AND PUBLIC ADMINISTRATION BUILDING, THE STUDENT CENTER AND THE ADMINISTRATION BUILDING

WHEREAS, the College of Business and Public Administration building no longer meets the needs of the students of the College due to inadequate classrooms, severely antiquated and limited restrooms, and serious structural problems due to earthquakes which pose a health hazard, and;

WHEREAS, when the College of Business and Public Administration building classrooms were modified to add air conditioners, the modifications severely impacted acoustics, making it a very difficult environment to teach and learn in, and;

WHEREAS, the second floor of the College of Business and Public Administration building lacks access for students, faculty, and staff with physical disabilities, and;

WHEREAS, the College of Business and Public Administration has added two new degree programs, specifically International Business and International Tourism to meet the needs of our growing economy, and;

WHEREAS, the College of Business and Public Administration produces graduates in disciplines that are critically needed for Guam's prosperity, and;

WHEREAS, the Governor's Vision 2001 calls for an expanded College of Business and Public Administration requires a building that will keep pace with program initiatives that have expanded both on-island and within the Asia-Pacific region, and;

WHEREAS, the College of Business and Public Administration has encountered difficulties in hosting an increasing number of visits of student groups from foreign universities and business executives from foreign corporations due to the problems with the present facility, and;

WHEREAS, the Student Center no longer meets the needs of the students due to being inadequate in size and function for the current population of more than 3,500 students, and;

WHEREAS, the Student Center is severely antiquated with limited restrooms, limited facilities for vendors, limited offices for student affairs personnel, and limited function rooms for student life activities, and;

WHEREAS, the Student Center is in an advanced state of deterioration, suffering from 35 years of weather and earthquakes, and is now a full decade beyond its planned life span, causing a cost prohibitive expenditure of funds on its maintenance, and;

WHEREAS, the Administration Building was constructed to be a library and does not adequately present the University to potential donors and students, and;

WHEREAS, the University's Charter states that "No agreements to borrow money shall be entered into by the University without prior Legislative approval."

Sponsored By:

*J.U. Torres, Chairman
Jesse Leon Guerrero, Vice Chairman
Rita Guedon, Treasurer
David L.G. Shimizu, Regent
Peter B. Melnyk, Regent
Franklin J. Quitugua, Regent
Marie R. Nelson, Regent
Donna Muna-Quinata, Regent
Marie Gascon, Student Regent*



UNIVERSITY OF GUAM UNIBETSEDÁT GUAHAN

BOARD OF REGENTS

RESOLUTION NO. 97-34

RELATIVE TO AUTHORIZE FINANCING OF THE COLLEGE OF BUSINESS AND PUBLIC ADMINISTRATION BUILDING, THE STUDENT CENTER, AND THE ADMINISTRATION BUILDING

WHEREAS, the College of Business and Public Administration building no longer meets the needs of the students of the College due to inadequate classrooms, severely antiquated and limited restrooms, and serious structural problems due to earthquakes, and;

WHEREAS, when the College of Business and Public Administration building classrooms were modified to add air conditioners, the modifications severely impacted acoustics, making it a very difficult environment to teach and learn in, and;

WHEREAS, the second floor of the College of Business and Public Administration building lacks access for students, faculty, and staff with physical disabilities, and;

WHEREAS, the College of Business and Public Administration has added two new degree programs, specifically International Business and International Tourism to meet the needs of our growing economy, and;

WHEREAS, the College of Business and Public Administration produces graduates in disciplines that are critically needed for Guam's prosperity, and;

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WHEREAS, the College of Business and Public Administration has encountered difficulties in hosting an increasing number of visits of student groups from foreign universities and business executives from foreign corporations due to the problems with the present facility, and;

WHEREAS, the Student Center no longer meets the needs of the students due to being inadequate in size and function for the current population of more than 3,500 students, and;

WHEREAS, the Student Center is severely antiquated with limited restrooms, limited facilities for vendors, limited offices for student affairs personnel, and limited function rooms for student life activities, and;

WHEREAS, the Student Center is in an advanced state of deterioration, suffering from 35 years of weather and earthquakes, and is now a full decade beyond its planned life span, causing a cost prohibitive expenditure of funds on its maintenance, and;

WHEREAS, the current Administration Building was constructed to be a library and does not adequately present the University to potential donors and students.

NOW, THEREFORE BE IT RESOLVED, that the Board hereby authorizes the President to seek financing sources such as a revenue bond issued with the assistance of the Guam Economic Development Authority or a bank.



Committee on Finance & Taxation

Vice Speaker Anthony C. Blaz, Chairman

**Committee Report on
Bill No. 601**

(As Substituted by the Committee.)

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**NOTICE OF PUBLIC HEARING
ON BILL 601(COR)**



Twenty-Fourth Guam Legislature
Committee on Finance and Taxation
Anthony C. Blaz, Chairman

Public Hearing

Friday, April 17, 1998, 2:00 p.m.

Vice Speaker Anthony C. Blaz, Conference Room, Guam Legislature

AGENDA

- **BILL 566 (A. C. BLAZ, E. J. CRUZ, F. P. CAMACHO) AN ACT TO AMEND §26401, §26402 AND §26406, REPEAL §26405 AND §26407 AND REPEAL AND REENACT §26404 AND TO ADD NEW §26405, §26406, §26407, §26408 AND §26409 TO ARTICLE 4, CHAPTER 26, DIVISION 2 OF TITLE 11, GUAM CODE ANNOTATED (GCA) RELATIVE TO THE LIQUID FUEL TAX AND TO ADD §26504 TO ARTICLE 5, CHAPTER 26, DIVISION 2 OF TITLE 11, GCA RELATIVE TO AUTOMOTIVE SURCHARGES.**
- **BILL 601 (A. C. BLAZ) AN ACT TO AMEND SECTIONS 1, 2, 4 AND 5 OF PUBLIC LAW NUMBER 22-19 TO AUTHORIZE THE GOVERNOR OF GUAM TO ISSUE TWENTY-THREE MILLION DOLLARS (\$23,000,000.00) GOVERNMENT OF GUAM GENERAL OBLIGATION BONDS OR, ALTERNATIVELY, AUTHORIZE THE BOARD OF REGENTS OF THE UNIVERSITY OF GUAM TO PURSUE AND ACQUIRE NECESSARY FINANCING THROUGH REVENUE BONDS OR BANK LOANS FOR THE PURPOSE OF CONSTRUCTING A NEW ADMINISTRATION BUILDING, RENOVATING AND REFURBISHING THE STUDENT CENTER BUILDING AND CONSTRUCTING A NEW BUILDING A AND B FOR THE COLLEGE OF BUSINESS AND PUBLIC ADMINISTRATION AT THE UNIVERSITY OF GUAM.**
José L.G., P.R. Nenevob, U.S. Congress, Pete Gomez, Jose P. Torres, Carmel Fernandez, Maria Lopez, Ann Torres, etc.
- **BILL 603 (A. C. BLAZ, M. FORBES) AN ACT TO APPROPRIATE TWO MILLION FOUR HUNDRED THOUSAND DOLLARS (\$2,400,000.00) TO THE MAYOR OF THE MUNICIPALITIES OF BARRIGADA, SINAJANA, ORDOT/CHALAN PAGO AND INARAJAN FOR THE CONSTRUCTION OF NEW GYMNASIUMS.**

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20 mph



DER GCC'S PROFESSIONAL-TECHNOLOGICAL INSTITUTE): 9 a.m.-noon, April 16, Hilton Hotel's Chuchuco Room, Tumon. Those who need special accommodations, etc. should call 735-5582/3 or TDD 734-8324 or -5236. Agenda copies available by calling 735-5573.

Friday

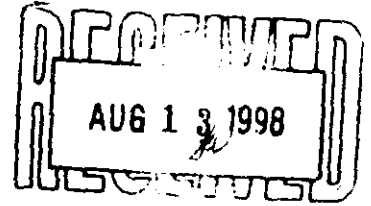
COMMITTEE ON AGRICULTURE, LAND, HOUSING, COMMUNITY & HUMAN DEVELOPMENT: Oversight hearing 2 p.m., April 17, Legislature's public hearing room, Agana. Chamorro Land Trust Commission: residential leases, survey of Chamorro Land Trust lots, Chamorro Land Trust infrastructure, Chamorro Land Trust commercial leases.

COMMITTEE ON FINANCE & TAXATION: Public hearing 2 p.m., April 17, Legislature's public hearing room. Bills 566, 601, 603.

BOARD OF COSMETOLOGY: Proctoring National-Interstate Council of State Boards of Cosmetology exam April 20 (rescheduled from December 1997 and



University of Guam
Unibetsedåt Guahan
OFFICE OF THE PRESIDENT
UOG Station, Mangilao, Guam 96923
Telephone: (671) 735-2990 • Fax: (671) 734-2296



August 10, 1998

The Honorable Anthony C. Blaz
Vice Speaker, Twenty Fourth Guam Legislature
Chairman, Committee on Finance and Taxation
155 Hesler Street
Agana, Guam 96910

Dear Vice Speaker Blaz:

Thank you for the support you have given the University of Guam to improve our campus with Bill 601. The students and employees are truly grateful for your concern.

Since we last met during the legislative session, we have opened the seven responses from the RFP that GEDA issued for this financing. The responses are a good indication of the investment community's view of UOG's credit worthiness.

Of the seven responses, only one firm suggested that UOG go at it alone. Another firm thinks that UOG could stand on its own but the cost will be higher without General Obligation (GO) support. On the basis of these responses we request that the GO support be kept in the bill to avoid delay and extra expenses.

If there is no GO support, UOG would have to be rated on its credit worthiness. The underwriters that suggest UOG go at it alone suggested that both S&P and Moody's rate UOG. As you know, this is an expensive and lengthy process. I estimate that this will cost about \$50,000. The raters will need time to review UOG's current and historical finances, and they may want to see the September 30, 1998 financial statements. A GO issue can be completed in a matter of weeks while a UOG issue will take months.

I understand that a few senators have expressed concern that UOG will not pay the debt service on this bond and we will call on the General Fund to bail us out. We will not allow this to happen for two reasons. First, we are very concerned about our track record. We have never missed a payment on

either the 1968 Dormitory bond (paid every six months) or the 1993 Educational bond (paid monthly).


Second, our enrollment is rising. The attached schedule shows that our enrollment increased by 8% for the academic year just ended compared to the previous year. All indications (placement tests, applications, etc.,) point to an even higher enrollment for the coming year. The financing structure that we presented to the underwriters when they made their calculations was for the enrollment to stay the same. Increasing enrollment provides an extra margin of safety.

On behalf of the University community, we appeal to you with great urgency to push the passage of Bill 601 as it was originally presented. We are sure that if the above facts were shared with your fellow legislators, they would see UOG is strong enough to handle this new GO.

Even more critical is the dire need for these new buildings. The buildings are about 36 years old and are no longer fully structurally sound. The University must have new buildings that are completely safe and in compliance with ADA requirements.

Please let us know how we can assist you in promoting the passage of Bill 601. Dangkulo na Si Yu'os Ma'ase for your strong support of our people's university - the University of Guam.

Sincerely,



Dr. Jose T. Nededog
President

Attachment

cc: Board of Regents
Vice Presidents