



OFFICE OF THE GOVERNOR

31-11-608

June 6, 2011

10:18 AM 6/7/11
WLC

Honorable Judith T. Won Pat, Ed.D.
Speaker
I Mina Trentai-unu na Liheslaturan Guahan
155 Hesler Place
Hagatna, Guam 96910

Dear Speaker Won Pat,

Transmitted herewith is **Substitute Bill No. B184-31 (LS) "AN ACT TO PROVIDE ADDITIONAL APPROPRIATION AUTHORIZATION FOR THE GOVERNMENT OF GUAM EMPLOYEE AND RETIREE HEALTH INSURANCE FOR FISCAL YEAR ENDING SEPTEMBER 30, 2011, AND FOR OTHER PURPOSES, TO BE KNOWN AS THE 'SUPPLEMENTAL APPROPRIATIONS ACT OF 2011'"**, which I signed into law on June 6, 2011 as **Public Law 31-74**, with reservation.

First, please relay to the members of *I Liheslatura* my thanks, and the appreciation of the GovGuam workforce, their families and retirees, for the members' swift consideration of the supplemental budget. While I am concerned over shortfalls *I Liheslatura* chose not to fund, and additional provisions that may have negative consequences, it was critical I sign the budget into law so operations could continue. Most importantly, we needed to give GovGuam employees peace of mind that their jobs are secure and their health benefits will continue. I had no choice but to sign this budget so the majority of shortfalls could be funded.

Before I explain to you sections of the law that concern me, I must first dispel certain language placed into the law, and much of the political rhetoric that now is part of the official proceedings of the legislature. Perhaps the simplest way to communicate these concerns is to detail them, point by point, with corresponding facts and suggestions for you to verify these facts:

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MYTH	FACT	VERIFY
<p>That no agency would experience a shortfall this fiscal year based on the Legislature's original appropriations in the FY2011 budget act passed in August 2010. Several senators mentioned this and said the administration was not being forthright with government employees and the public.</p>	<p>The FY2011 budget was short \$6 million on payroll alone. Major contractual obligations also were not funded in the original law. The Legislature even recognized 19 pages of shortcomings in amendments to the budget law it made on December 22, 2010. Unfortunately, that was not enough. During the proceedings Friday, even the budget chairman recognized that agencies would begin shutting down in August, just two months away. In fact, the Department of Mental Health would have run out of spending authority this month, followed by the fire department.</p>	<p>The Legislature may verify these facts through a recounting of their own proceedings in December and again on Friday. The Legislature may also reconcile these facts with public statements made by the budget chairman, who recognized the shortfalls, over the past two weeks.</p>
<p>That only the previous administration knew of the shortfall and did nothing to fix it, and that the current administration waited until May to present its solutions.</p>	<p>Our administration spent the first five months finding revenue sources to cover the enormous \$36 million shortfall from the FY2011 budget. While it is true the previous administration knew of the shortfall, it is the Legislature's Organic authority to appropriate. Unfortunately, the Legislature made no effort to fund the shortfall when it made 19 pages of amendments to the budget law on December 22, 2010. This was at least six months after the Legislature was made aware of the cost of health benefits contract.</p>	<p>The Legislature can verify the power to appropriate with the Organic Act of Guam. As for knowledge of the shortfall, the Legislature can verify this with the negotiating team from last year. We welcome the Legislature to conduct an oversight hearing to further verify this under oath.</p>
<p>That, "with the stroke of a pen," the Governor took away the Hay salary adjustments from GovGuam employees</p>	<p>Unfortunately, the FY2011 budget did not provide adequate and realistic revenue sources for neither tax refunds nor the salary adjustments for the Hay plan. With a negative cash balance of \$10.5 million in December, there was no way the administration could continue with this unfunded mandate. Again, this severe shortfall and the government's inability to pay it, is indicative of the fatally flawed budget passed in August 2010. If the Legislature knew of the shortfalls since July, why did it not adjust the budget to provide for every appropriation it purports to support?</p>	<p>The Legislature can verify the government's cash position since October 2010 with the cash flow model created this year by the government's budget and accounting professionals, which was provided to the Legislative budget chairman. Knowledge of the shortfalls again can be verified by last year's negotiating team and by the Legislature's budget proceedings. This should include calculations of payroll requirements, based on staffing reports provided to the Legislature last year for the operational requirements of FY2011. This should also include amounts paid, yet unbudgeted, for annual leave lump sum cashouts at the end of the last administration.</p>

The administration takes its responsibility to inform the public very seriously. The information we provide is factual and verifiable. While we appreciate spirited debates of policy and the direction we must take as a government, we must take exception to political rhetoric that does nothing to solve the real problems people face.

Unfortunately, several sections of the law can impede this progress:

Chapter XIII, Sections 3 & 5 – GGRF Rate of Contribution

The Government of Guam Retirement Fund Board of Directors and the Governor met and compromised on a solution to cover the General Fund shortfall through revenues saved from a reduction of the government rate of contribution from 100 percent to 78.56 percent of the required rates in 4GCA:8:8137(e). The substituted version of my bill reduced this amount further to 78.07 percent of the required rates. Subsection (c) of

Section 3 states the “savings” to the government of Guam from the “Health Insurance Bailout Agreements of FY 2011” is equal to 21.93 percent “of the sum of the contribution rates required under §8137(e) of Article 1, Chapter 8 of Title 4 of the Guam Code Annotated as amended.” The “savings” is 5.53 percentage points, not 21.93 percent as the section states.

Section 5 mandates recordation of the Guam Memorial Hospital \$5.5 million offset, and the \$6.8 million in savings from the reduction of the government rate of contribution as delinquent amounts to the GGRF. This was never part of the compromise made with the GGRF Board of Directors. More importantly, instead of reducing the \$15 million owed to the General Fund by the GGRF, this makes the General Fund owe these amounts to the Retirement Fund, placing this burden on the taxpayers of Guam by passing on a minimum of \$12.3 million of debt to the taxpayers of Guam. If this is appended to the revenue anticipation bond I am proposing to pay tax refunds by December, this will reduce the amount due to those owed tax refunds.

Chapter II – Shortfalls

I am dismayed by the budget committee’s choice to leave major shortfalls in critical departments, namely the Guam Fire Department and the Department of Administration. For whatever reason, *I Liheslatura* chose to leave a \$517,000 shortfall at GFD, and a \$1.9 million shortfall at DOA. I have no choice but to use my transfer authority to fund these shortfalls at these critical agencies.

Chapter V

Sections 6 & 7 - Violations of General Principles of Accounting

These sections require Department of Administration accountants to record the Tax Years 2009 and 2010 ARRA Make Work Pay Tax Credit as revenues. As accountants know, these should not be recorded as revenues until taxpayers' returns are processed and paid. We will consult with Department of Administration accountants. If they believe their compliance with this provision of the law will force them to violate general principles of accounting and, therefore, their ethics, we will request for this section to be repealed.

Section 4 – Conditioning Appropriations on a Certification or Report from the Director of Administration

Here the legislation conditions the appropriation of funds from the Supplemental Appropriations Revenue Fund on whether the Director of Administration either (1) certifies that FY2011 income tax payments were deposited into the Income Tax Refund Efficient Payment Trust Fund in accordance with 11 GCA §51102; or (2) submit a written report to the Speaker of *I Liheslaturan Guåhan* that such compliance will be achieved in sixty (60) days. This provision is largely unnecessary since *I Liheslaturan Guåhan* is already fully aware that this Government has, for several years now, been financially incapable of making deposits of income tax payments per 11 GCA §51102, due to revenue levels being insufficient to meet the mandated demands for government services

I MINA'TRENTAI UNU NA LIHESLATURAN GUÅHAN
2011 (FIRST) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO *I MAGA'LAHEN GUÅHAN*

This is to certify that **Substitute Bill No. 184-31 (LS)**, "AN ACT TO PROVIDE ADDITIONAL APPROPRIATION AUTHORIZATION FOR THE GOVERNMENT OF GUAM EMPLOYEE AND RETIREE HEALTH INSURANCE FOR FISCAL YEAR ENDING SEPTEMBER 30, 2011, AND FOR OTHER PURPOSES, TO BE KNOWN AS THE "SUPPLEMENTAL APPROPRIATIONS ACT OF 2011", was on the 3rd day of June, 2011, duly and regularly passed.



Judith T. Won Pat, Ed.D.
Speaker

Attested:



Benjamin J.F. Cruz
Acting Legislative Secretary

This Act was received by *I Maga'lahaen Guåhan* this 3rd day of June, 2011, at 19:15hrs o'clock P.M.

APPROVED:



EDWARD J.B. CALVO
I Maga'lahaen Guåhan

Assistant Staff Officer
Maga'lahaen's Office



Date: June 6, 2011 (7:06 pm.)

Public Law No. 31-74

to the public. I have been completely open and forthcoming about the fact that this Government has for years floated tax refunds owed to taxpayers so that the Government could continue to operate. Unless *I Liheslaturan Guåhan* can find an instant source of vast revenues to immediately curtail this practice, then I expect the Director of Administration will submit a report to the Speaker of *I Liheslaturan Guåhan* outlining a plan to deposit FY2011 income tax payments into the Income Tax Refund Efficient Payment Trust Fund in accordance with 11 GCA §51102.

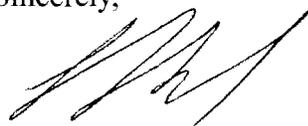
Chapter VI – The Possibility of Water Rate Increases

I Liheslatura purports to appropriate from ‘revenues’ it contends Guam Waterworks Authority owes the General Fund. This is based from a Public Utilities Commission ruling from its Administrative Law Judge that GWA should pay this. What *I Liheslatura* failed to consider is the pending appeal from the Consolidated Commission on Utilities and, more importantly, the consequences of such a payment to water rates for the people of Guam. While I commend senators for their eagerness to pay tax refunds and COLA, it should not be done at the expense of the very same people who should receive these obligations from the government, and tens of thousands more.

Overall, I am relieved *I Liheslatura* finally recognized the existence of the shortfalls and funded most of them. The actions of senators averted payless paydays and allowed the government to continue operating until the end of the fiscal year.

Despite all the rhetoric, we must turn our attention immediately to the biennial budget, which will begin permanent fixes to the cash crisis and to the structural imbalance of the General Fund. Our agencies stand ready to answer your questions. Our fiscal team will continue attempting to communicate with *I Liheslatura* in order to apprise senators of the facts and the reasons for our fiscal policies. All we ask is for civility and an overriding intent to solve problems, rather than to cast aspersions. Our administration is eager to answer your questions. We will maintain the respect and professionalism we have shown to you since coming to office in January. While this may not always be reciprocated, it is not our style nor duty to return rhetoric with disrespect. We will always respect you, because this is what the people of Guam expect of professionals.

Sincerely,



EDDIE BAZA CALVO

I MINA'TRENTAI UNU NA LIHESLATURAN GUÅHAN
2011 (FIRST) Regular Session

Bill No. 184-31 (LS)

As substituted by the Committee on Appropriations,
Taxation, Banking, Insurance, Retirement, and Land,
and amended in the Committee of the Whole.

Introduced by:

Committee on Rules, Federal, Foreign
& Micronesian Affairs, and Human &
Natural Resources
at the request of *I Maga'lahaen Guåhan*,
the Governor of Guam, in accordance
with the Organic Act of Guam.

**AN ACT TO PROVIDE ADDITIONAL
APPROPRIATION AUTHORIZATION FOR THE
GOVERNMENT OF GUAM EMPLOYEE AND RETIREE
HEALTH INSURANCE FOR FISCAL YEAR ENDING
SEPTEMBER 30, 2011, AND FOR OTHER PURPOSES,
TO BE KNOWN AS THE “*SUPPLEMENTAL
APPROPRIATIONS ACT OF 2011.*”**

1 **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2 **CHAPTER I**

3 **HEALTH INSURANCE**

4 **Section 1. Short Title.** This Act *shall* be known as the “*Supplemental*
5 *Appropriations Act of 2011.*” *Except* as otherwise provided by this Act, the
6 appropriations made by this Act *shall* be available to pay for obligations incurred
7 on *or* after October 1, 2010, but *no later than* September 30, 2011. *If* any
8 appropriation in this Act is found contrary to federal law, all other portions of this
9 Act *shall* remain valid.

1 **Section 2. Legislative Findings and Intent.** *I Liheslaturan Guåhan* has
2 been presented with a Supplemental Appropriations Act of 2011, which is intended
3 to reprioritize budgeted appropriations for additional medical and dental insurance
4 for both the retirees and line agencies. This additional funding requirement was
5 confirmed by the Office of Finance and Budget, the Department of Administration
6 and the Bureau of Budget and Management Research, and further affirmed by the
7 Office of Public Accountability.

8 *I Liheslaturan Guåhan* affirmatively states the fact that the passage of the
9 General Appropriations Act of 2011 (Bill No. 439-30) occurred on August 20,
10 2010, and *I Maga'låhen Guåhan* enacted Bill No. 439-30 into law as Public Law
11 30-196 on September 1, 2010. The health insurance negotiating team, via the DOA
12 Director, notified the departments and agencies on August 26, 2010 of the new
13 health insurance rates for FY 2011.

14 Finalizing the cost of the government of Guam health insurance occurred
15 when the contract was signed by *I Maga'låhen Guåhan* on September 28, 2011,
16 forcing a \$22 Million Dollars cost increase to all branches and agencies of the
17 government of Guam, and autonomous agencies, including to all the taxpayers of
18 Guam, nearly a month after the passage of the Annual Budget Act.

19 *I Liheslaturan Guåhan* finds that in PL 30-196 (Bill 439-30), the Annual
20 Budget Act for FY 2011, *I Maga'låhen Guåhan* requested that health insurance for
21 FY 2011 be budgeted at the same funding level as the FY 2010 cost, and despite
22 this knowledge, he approved the final negotiated cost of the health insurance
23 contract which obligated the government to an additional unfunded \$22 Million
24 Dollars obligation. Rather than requesting for the renegotiation of the contract,
25 electing to enter arbitration to lower the increase in cost, or simply vetoing the
26 *General Appropriations Act of 2011* as insufficient, *I Maga'låhen Guåhan*
27 accepted the unwarranted, irresponsible health insurance cost increase of forty

1 percent (40%) and prioritizes payment to the health contract vendor of an
2 additional \$22 Million Dollars of public funds generated by the hard working
3 taxpayers of Guam, without legislative approval.

4 *I Liheslaturan Guåhan* advised the new Administration in November of
5 2010, in early January of 2011, and almost monthly thereafter, of the need to
6 address the unbudgeted increase in the cost of the health insurance contract for FY
7 2011 and the court-ordered payments for the Amended Permanent Injunction with
8 the need for a Fiscal Realignment Plan to address these and other post-budget
9 financial challenges.

10 On January 10, 2011, *I Maga'låhen Guåhan* issued Executive Order 2011-
11 01, which required all departments, agencies, or other government entities to
12 recommend short and long-term cost-reduction and cost-containment measures.
13 On February 3, 2011, the Office of Public Accountability in OPA Report No. 11-
14 01, "*Cost Reduction and Revenue Enhancement Recommendations Pursuant to*
15 *Executive Order No. 2011-01,*" recommended cost containment measure #7 -
16 Renegotiate Medical and Dental Insurance Rates.

17 Rather than try to negotiate a new arrangement under the existing contract, *I*
18 *Maga'låhen Guåhan* ignored the OPA recommendation and the call by *I*
19 *Liheslaturan Guåhan* for a Fiscal Realignment Plan. *I Maga'låhen Guåhan*
20 delayed action until May, when he proposed to increase the appropriation and
21 spending ceiling of the current budget for the existing health insurance
22 appropriation in order to avert the termination of medical coverage by mid-June for
23 retirees, employees and their families.

24 Instead, *I Maga'låhen Guåhan* issued Executive Order 2011-02 using his
25 Organic Act powers and canceled the Government of Guam Competitive Wage
26 Act of 2011, effective 12:00 a.m., January 30, 2011, and is now requesting the
27 authorization to spend the money appropriated for the Hay Study salary

**Estimated Additional Tax Revenue Collections Resulting from
the Government of Guam Competitive Wage Act of 2011**

Withholding Income Tax Revenue to Government of Guam	\$2,432,509
Additional Tax Generated by Additional Disposable Income	<u>\$1,550,035</u>
Total Additional Tax Collections	\$3,982,544
% of Total Cost Returning to Government of Guam	19%

1 adjustments to pay the increase in the health insurance contract. With the stroke of
2 a pen, *I Maga'låhen Guåhan* chose to turn back the clock and take away what has
3 been lawfully and rightfully given to government of Guam employees.
4 The Government of Guam Competitive Wage Act of 2011 is undoubtedly an
5 economic catalyst to Guam's economy. Every additional dollar received as a result
6 of the pay increase is likely to circulate among and throughout the retail economy,
7 as well as increase withholding revenue to the government of Guam. Eliminating
8 the Government of Guam Competitive Wage Act of 2011 increases counteracted
9 additional economic stimulus to the Guam economy.

10 The Office of Finance and Budget report entitled, "Measuring the Impact of
11 the Government of Guam Competitive Wage Act of 2011," projects that over \$20
12 Million Dollars of opportunity for local business and direct positive impact to
13 government employees' cost-of-living could be realized through continued
14 implementation of the Government of Guam Competitive Wage Act of 2011.
15 Additional tax revenues that would be realized by the government are estimated to
16 be \$4 Million Dollars or nineteen percent (19%) return of the total cost of
17 implementation.

18 *I Liheslaturan Guåhan* is resolved to protect the priorities set forth in Public
19 Law 30-196. It is imperative that *I Maga'låhen Guåhan* adhere to and administer
20 the bills passed by the Legislative Branch and signed into law by the Executive
21 Branch which prioritize the payment of tax refunds; outline solutions to improve
22 cash flow; and require the reduction of the structural deficit. The Government of
23 Guam Competitive Wage Act of 2011 remains an integral priority of the

1 government of Guam to retain and recruit the best employees to deliver vital
2 services to the people of Guam. Unfortunately, *I Maga'låhen Guåhan* has
3 reinforced his decision to cancel the Government of Guam Competitive Wage Act
4 of 2011 in his *Supplemental Appropriations Act of 2011* submission to *I*
5 *Liheslaturan Guåhan* to, instead, pay the full one hundred percent (100%) value of
6 the FY 2011 Health Insurance Contract.

7 **Section 3. Transfer of Government of Guam Competitive Wage Act of**
8 **2011 Appropriation for Health Insurance.** (a) Notwithstanding any limitation
9 of *I Maga'lahi's* (the Governor's) transfer authority or provision of law, the sum of
10 Seven Million Six Hundred Thousand Dollars (**\$7,600,000**) from the balance of the
11 appropriation made in Section 7(b) of Chapter XI of Public Law 30-196 may be
12 transferred to the Health Benefit Cost Account to pay for additional health
13 insurance premium payments required by contract for government of Guam
14 employees and retirees. The transfer of appropriation in Section 7(b) of Chapter
15 XI of Public Law 30-196 *shall* use the method of cash disbursement outlined in
16 Subsection (b) of this Section.

17 (b) The additional health insurance premium payments required by
18 contract for health insurance equally affects all branches, agencies and the retirees
19 funded by the *General Appropriations Act of 2011*. Therefore, all transfer of
20 appropriated funds authorized in Subsection (a) to pay for health insurance
21 premiums *shall not* exceed Twelve Million Seven Hundred Forty Five Thousand
22 Six Hundred Ninety Eight Dollars (**\$12,745,698**), and each allotment release
23 related to said transferred appropriations *shall* disburse any cash payment of
24 premiums on behalf of the following departments/agencies at the following ratios:

Table 1	Additional Appropriation Authorization	Ratio
Retirees (GGRF)	\$8,142,267	63.88%
Health Benefit Cost Account (DOA)	\$3,303,431	25.92%
DOE	\$1,300,000	10.20%
Total	\$12,745,698	100.00%

1 **Section 4.** Section 3 of Chapter XIII of Public Law 30-196, is hereby
2 *amended* to read:

3 **“Section 3. Government of Guam Retirement Fund Rate of**
4 **Contribution.** In accordance with §8137(e) of Article 1, Chapter 8 of Title
5 4 of the Guam Code Annotated, the government rate of contribution to the
6 Government of Guam Retirement Fund throughout Fiscal Year 2011 *shall*
7 be twenty seven and forty six hundredths percent (27.46%).

8 No later than June 15, 2011 the GGRF Board of Trustees and *I*
9 *Maga'låhen Guåhan shall* execute an Agreement titled the ***Health***
10 ***Insurance Bailout Agreement of FY 2011*** that reduces the sums paid of
11 government of Guam statutory employer contributions accordingly:

12 (a) Between June 4, 2011 and September 30, 2011, the
13 Government rate of contribution for agencies receiving appropriations
14 from *I Liheslaturan Guåhan* and for Federally-funded programs *shall*
15 equal seventy eight and seven hundredths percent (78.07%) of the
16 sum of the contribution rates required under §8137(e) of Article 1,
17 Chapter 8 of Title 4 of the Guam Code Annotated as amended.

18 (b) Between June 4, 2011 and September 30, 2011, the
19 government rate of contribution for autonomous agencies not
20 receiving appropriations from *I Liheslaturan Guåhan shall* equal one
21 hundred percent (100%) of the sum of the contribution rates required

1 under §8137(e) of Article 1, Chapter 8 of Title 4 of the Guam Code
2 Annotated as amended.

3 (c) For the period between June 4, 2011 and September 30,
4 2011, the “savings” to the government of Guam from the *Health*
5 *Insurance Bailout Agreement of FY 2011* shall equal twenty one and
6 ninety three hundredths percent (21.93%) of the sum of the
7 contribution rates required under §8137(e) of Article 1, Chapter 8 of
8 Title 4 of the Guam Code Annotated, as amended.

9 (d) Five Million One Hundred Forty Five Thousand Six
10 Hundred Ninety Eight Dollars (**\$5,145,698**) of the “savings” resulting
11 from the *Health Insurance Bailout Agreement of FY 2011* is de-
12 appropriated and is hereby re-appropriated to the Health Benefit Cost
13 Account as calculated in Appendix I to pay for health insurance
14 premiums for government of Guam employees and retirees. The
15 funds re-appropriated in this Section *shall* disburse any cash payment
16 of premiums on behalf of the following agencies/departments using
17 the following ratio:

Table 1	Additional Appropriation Authorization	Ratio
Retirees (GGRF)	\$8,142,267	63.88%
Health Benefit Cost Account (DOA)	\$3,303,431	25.92%
DOE	\$1,300,000	10.20%
Total	\$12,745,698	100.00%

18 (e) The Guam Memorial Hospital Authority (GMHA) is
19 hereby required to remit to the GGRF all the calculated One Million
20 Twenty Six Thousand One Hundred Sixty Dollars (**\$1,026,160**)
21 savings from the reduction of the employer contribution pursuant to

1 Subsection (a) of this Section for the payment of current year
2 delinquent contributions for the members of the Defined Contribution
3 Plan (5% member and 5% employer contributions). These Funds
4 *shall* be deposited into the members' account upon receipt. The total
5 delinquent contributions due as of May 23, 2011 is One Million Three
6 Hundred Seventy Two Thousand Five Hundred Thirteen Dollars
7 **(\$1,372,513)**. GMH *shall* supplement an additional up to Three
8 Hundred Forty Six Thousand Three Hundred Fifty Three Dollars
9 **(\$346,353)** from other GMH funds as needed to ensure the entire
10 amount is remitted to the GGRF by September 30 2011.

11 (f) The reduction in the contribution rate in Subsection (a) of
12 this Section is hereby effective upon the execution of the Agreement
13 titled the *Health Insurance Bailout Agreement of FY 2011* that
14 reduces the government of Guam statutory employer contribution
15 accordingly. The Agreement *shall* be executed no later than June 15,
16 2011.”

17 **Section 5. Guam Memorial Hospital Authority Payment of Delinquent**
18 **Employee/Employer Contribution Share to the Government of Guam**
19 **Retirement Fund.** Section 6 of Chapter XII of Public Law 30-196, is hereby
20 *amended* to read:

21 **“Section 6. Section 1 of Public Law 28-38 is hereby *amended* to read as**
22 **follows:**

23 **“Section 1.** Special Retirement Provisions for the Guam Department
24 of Education (GDOE) and Guam Memorial Hospital Authority (GMHA).
25 On the first day of the first month following the enactment hereof and on
26 every first day of every month thereafter, the Department of Administration
27 (DOA) *shall* compute and recognize interest owed for both the GDOE and

1 GMHA retirement liabilities to the Government of Guam Retirement Fund
2 (GGRF) equal to outstanding liability multiplied by the one twelfth (1/12) of
3 the most recent historical five (5) year average annual rate of return of the
4 defined benefit investment portfolio, inclusive of performance which yielded
5 negative returns. Liability payments made by the GDOE or GMHA *shall* be
6 credited to the respective liability balance prior to the next month's interest
7 calculations. The GGRF *shall not* be entitled to any additional interest for
8 liabilities identified in this Section beyond what the DOA calculates on the
9 first day of each month. The GGRF *shall* accept and approve for retirement
10 any eligible employee of the DOE or the GMHA upon the condition that the
11 respective agency's employer and employee contributions to the Fund for the
12 applicable fiscal year are current and paid in full as provided in P.L. 27-106,
13 Chapter VI, Section 13. If the GDOE or GMHA fails to make current
14 payments for the applicable fiscal year, the Fund *shall* cease processing
15 applications from employees of that agency until payment is made in full.

16 The GGRF and the DOA *shall* reconcile the annualized interest paid
17 during the current fiscal year upon release of the GGRF rate of return
18 performance report for quarter ending September 30 for the same twelve
19 (12) month period. The GGRF *shall* invoice the DOA for any underpayment
20 of interest computed by subtracting actual interest payments from interest
21 calculated using the current fiscal year monthly principal balances outlined
22 in Section 1 and the twelve (12) month average rate of return for the same
23 period. Any overpayments to the GGRF *shall* remain with the GGRF.

24 On the first day of the first month following the enactment hereof and
25 on every first day of every month thereafter, with a grace period of *no more*
26 *than* ten (10) days, the Treasurer of Guam *shall* pay "interest only"
27 payments for the Guam Department of Education (GDOE) deficiency to the

1 Government of Guam Retirement Fund (GGRF) and the Treasurer of Guam
2 *shall* pay “interest only” payments for the Guam Memorial Hospital
3 Authority (GMHA) deficiency to the GGRF on the first day of the first
4 month following the enactment hereof and on every first day of every month
5 thereafter. The Government of Guam Retirement Fund *shall* accept and
6 approve for retirement any eligible employee of the Guam Department of
7 Education or the Guam Memorial Hospital Authority upon the condition that
8 the respective agency's employer and employee contributions to the Fund for
9 the applicable fiscal year are current and paid in full as provided in P.L. 27-
10 106, Chapter VI, Section 13, including interest and penalties pursuant to
11 Title 4 GCA §8137(c) and interest at the actuarial rate determined in the
12 latest completed actuarial valuation prepared for the Board of Trustees by
13 the actuary appointed by the Board, which is seven and one-half percent
14 (7.5%). If the Treasurer of Guam fails to make current payments as required
15 by this Section, or if GDOE or GMHA fails to make current payments for
16 the applicable fiscal year, the Fund *shall* cease processing applications from
17 employees of that agency until payment is made in full.”

18 (a) Monthly remittance to the GGRF, by the Department of
19 Administration (DOA) of interest only payments, in accordance with
20 Public Law 28-38, as amended by Public Law 30-196, are hereby
21 increased to include interest payments on the additional sum of Five
22 Million Five Hundred Twenty Six Thousand Seven Hundred Dollars
23 **(\$5,526,700)**, the delinquent amount owed to the GGRF by the
24 GMHA for FY 2011 employee/employer contribution share, is hereby
25 added to the delinquent amounts owed to the GGRF by the Guam
26 Memorial Hospital Authority for employee/employer contribution
27 share.

1 (b) Monthly remittance to the GGRF, by the Government of
2 Guam Department of Administration (DOA) of interest only
3 payments, in accordance with Public Law 28-38, as amended by
4 Public Law 30-196, and as further amended to include the sum of Six
5 Million Eight Hundred Thirty Seven Thousand Seven Hundred Thirty
6 Six Dollars (**\$6,837,736**) is hereby added to the delinquent amount
7 owed to the GGRF by the government of Guam for the loan of
8 Unfunded Actuarial Accrued Liability calculated savings pursuant to
9 Section 3(a) of Chapter XIII of Public Law 30-196 as further
10 amended.

11 (c) *I Maga'låhen Guåhan shall* include the re-financing of
12 the outstanding principal and interest owed to the Government of
13 Guam Retirement Fund herein in the next General Obligation Bond
14 issue of the government of Guam.”

1 Fund). If and when new supplemental revenue sources are identified after
2 the passage of the Annual Appropriations Act by the Executive Branch or *I*
3 *Liheslaturan Guåhan*, the SAR Fund *shall* serve as the clearinghouse for all
4 supplemental revenues, appropriations, and expenditures.

5 (b) There is hereby *added* a new Article 16 to Chapter 22 of Title 5,
6 Guam Code Annotated, to read:

7 **“ARTICLE 16**

8 **SUPPLEMENTAL APPROPRIATIONS REVENUE FUND**

9 **§221601. Creation.**

10 There is hereby created, separate and apart from all other funds of the
11 government of Guam, a fund known as the Supplemental Appropriations
12 Revenue Fund (SAR Fund).

13 **§221602. Separate Fund and Bank Account.**

14 The SAR Fund *shall not* be commingled with the General Fund or any
15 other funds of the government of Guam and *shall* be maintained in a
16 separate bank account, administered by the Director of the Department of
17 Administration in accordance with this Article.

18 **§221603. Purpose.**

19 The SAR Fund *shall* act as a clearinghouse account for *all*
20 supplemental revenues and expenditures identified by the government of
21 Guam in any Supplemental Appropriations Act and other Acts that contain
22 revenue sources that have *not* been identified in the General Appropriations
23 Act of each fiscal year.

24 **§221604. Administration of SAR Fund.**

25 The revenue sources identified in any Supplemental Appropriations
26 Act and other Acts that identify new revenue sources that have *not* been
27 identified in the General Appropriations Act during each fiscal year *shall* be

1 deposited or transferred into the SAR Fund and *shall* be expended
2 exclusively for the purposes set forth by *I Liheslaturan Guåhan* in any
3 Supplemental Appropriations Act or other Acts that identify new revenue
4 sources during each fiscal year.

5 The SAR Fund’s interest and investment earnings *shall* be subject to
6 legislative appropriation and *shall* be expended exclusively for the purposes
7 set forth by *I Liheslaturan Guåhan* in any Supplemental Appropriations Act
8 or other Acts that identify new revenue sources during each fiscal year.

9 The SAR Fund *shall not* be subject to *I Maga’lahen Guåhan’s*
10 transfer authority *or* any other law allowing use or transfer of special funds.
11 Revenues to and expenditures from the SAR fund is restricted to only those
12 authorized by *I Liheslaturan Guåhan* in this or subsequent Acts.

13 **§221605. Annual Audit.**

14 The Office of Public Accountability *shall* perform an annual audit of
15 the SAR Fund and the compliance of the Director of the Department of
16 Administration with the expenditure of such funds within the SAR Fund in
17 accordance with the administration and exclusive purposes of this Article.
18 Said audit *shall* include, but is *not* limited to, the revenues to the SAR Fund
19 and the expenditures from the SAR Fund. The OPA *shall* prepare and
20 provide a written report of compliance *no later than* seventy-five (75) days
21 after the end of the fiscal year to *I Maga’låhen Guåhan* and to the Speaker
22 of *I Liheslaturan Guåhan*.”

23 **Section 3.** Notwithstanding any other provision of law, the following sums
24 received as reimbursements from the United States Internal Revenue Service in
25 Fiscal Year 2011 *shall* be deposited directly into the SAR Fund:

- | | | | |
|----|----|---------------------------------------|-------------|
| 26 | a. | State of Legal Residence – Section 30 | \$2,300,000 |
| 27 | b. | American Opportunity Credit | \$2,300,000 |

1	c. Rebate Reimbursement	<u>\$600,000</u>
2	Total	\$5,200,000

3 **Section 4.** Notwithstanding any other provision of law, the unexpended
4 balance in the amount of One Million Dollars (**\$1,000,000**) from the Year 2010
5 Census contract, between the United States Census Bureau and the government of
6 Guam, is hereby transferred from the Census Fund into the SAR Fund.

7 **Section 5.** Notwithstanding any other provision of law, One Million
8 Dollars (**\$1,000,000**) from the Bond Reserve Fund for the Limited Obligation
9 Infrastructure Improvement Bonds, 1997 Series A, is hereby transferred from the
10 Bond Reserve Fund into the SAR Fund.

11 **Section 6.** Notwithstanding any other provision of law, the sum of Two
12 Million One Hundred Thousand Dollars (**\$2,100,000**) is hereby transferred from
13 the Autonomous Agency Collections Fund to the SAR Fund.

14 **Section 7.** Notwithstanding any other provision of law, the balance of
15 Four Million Three Hundred Thousand Dollars (**\$4,300,000**) to be reimbursed to
16 the government of Guam for the capital costs incurred by the government of Guam
17 for the construction of the *Layon* landfill and the closure of the *Ordot* dump,
18 subject to the approval of the U.S. District Court of Guam for the use of bond
19 funds secured through the issuance of the Government of Guam Limited
20 Obligation (Section 30) Series 2009A bonds, *shall* be deposited directly into the
21 SAR Fund.

22 **Section 8.** Notwithstanding any other provision of law, the remaining
23 balance of Six Hundred Sixty Five Thousand Eight Hundred Seventy Eight Dollars
24 (**\$665,878**) from the “savings” pursuant to Section 3(a) of Chapter XIII of Public
25 Law 30-196, as further amended by Section 4 of Chapter I and in Appendix I of
26 this Act, is hereby transferred from the General Fund into the SAR Fund.

1 **Section 9. Appropriation to Department of Mental Health and**
2 **Substance Abuse for Contractual Obligations and Salaries.** Notwithstanding
3 any other provision of law, the sum of One Hundred Fifty Three Thousand Six
4 Hundred Seventy Eight Dollars (**\$153,678**) is hereby appropriated from the SAR
5 Fund to the Department of Mental Health and Substance Abuse into Object Class
6 111.

7 The sum of One Million Five Hundred Eighty Five Thousand Six Hundred
8 Sixteen Dollars (**\$1,585,616**) is hereby appropriated from the SAR Fund to the
9 Department of Mental Health and Substance Abuse for the following contractual
10 obligations and other purposes:

11 (a) Payment for services provided by Latte Treatment Center, LLC
12 under contract reference C080600403 between May 1, 2011 and September
13 30, 2011 *not* to exceed Two Hundred Ninety Nine Thousand Two Hundred
14 Sixty One Dollars (**\$299,261**);

15 (b) Payment for services provided by Catholic Social Service under
16 contract reference C080601412 between May 1, 2011 and September 30,
17 2011 *not* to exceed Nine Hundred Forty Five Thousand Six Hundred Thirty
18 Nine Dollars (**\$945,639**);

19 (c) Payment for services provided by Latte Treatment Center, LLC
20 under contract reference C050604733 between May 1, 2011 and September
21 30, 2011 *not* to exceed Three Hundred Forty Thousand Seven Hundred
22 Sixteen Dollars (**\$340,716**).

23 **Section 10. Appropriation to the Department of Education for Utility**
24 **Costs.** The sum of Four Hundred Forty Thousand Four Hundred Seventy Seven
25 Dollars (**\$440,477**) is hereby appropriated from the SAR Fund to the Department
26 of Education into Object Class 361. This appropriation *shall* supplement the
27 funding provided for power requirements.

1	CONT. SERV.	230	\$199,200
2	SUP. & MAT.	240	\$20,000
3	EQUIPMENT	250	\$5,000
4	PHONE/TOLL	363	<u>\$164,000</u>
5	GR. TOTAL		\$883,547

6 **Section 13. Appropriation to the Department of Public Works.** The
7 sum of Three Hundred Forty Five Thousand Eight Hundred Ninety Two Dollars
8 **(\$345,892)** is hereby appropriated from the SAR Fund to the Department of Public
9 Works into Object Class 240. This appropriation *shall* supplement the funding
10 provided for Bus Operations Fuel requirements. The sum of One Hundred Thirty
11 Three Thousand Two Hundred Twenty Four Dollars **(\$133,224)** is hereby
12 appropriated from the SAR Fund to the Department of Public Works into Object
13 Class 111.

14 **Section 14. Appropriation to Department of Land Management for**
15 **Payment of Office Rental.** The sum of Seventy One Thousand Thirty Seven
16 Dollars **(\$71,037)** is appropriated from the FY 2011 Land Survey Revolving Fund
17 revenues to Object Class 233 for Office Rental. The sum of Two Hundred Forty
18 Three Thousand Two Hundred Twenty Three Dollars **(\$243,223)** is appropriated
19 from the SAR Fund to Object Class 233 for Office Rental.

20 **Section 15. Appropriation to the Department of Public Health and**
21 **Social Services.** The sum of Two Hundred Ninety One Thousand Eighty Five
22 Dollars **(\$291,085)** is hereby appropriated from the SAR Fund to the Department
23 of Public Health and Social Services to supplement its funding for FY 2011
24 General Base Operations.

25 **Section 16. Appropriation to the Department of Integrated Services for**
26 **Individuals with Disabilities.** The sum of One Hundred Sixty Six Thousand Nine
27 Hundred Forty Seven Dollars **(\$166,947)** is hereby appropriated from the SAR

1 Fund to the Department of Integrated Services for Individuals with Disabilities to
2 supplement its FY 2011 funding for General Base Operations.

3 **Section 17. Appropriation to the Office of the Governor.** The sum of
4 Six Hundred Fifty Thousand Dollars (**\$650,000**) is hereby appropriated from the
5 SAR Fund to the Office of the Governor to supplement its FY 2011 funding for
6 General Base Operations.

7 **Section 18. Appropriation to the Ancestral Lands Commission.** The
8 sum of Twenty Thousand Five Hundred Fifteen Dollars (**\$20,515**) is hereby
9 appropriated from the SAR Fund to the Ancestral Lands Commission to
10 supplement its FY 2011 funding for General Base Operations.

11 **Section 19. Appropriation to the Bureau of Budget and Management**
12 **Research.** The sum of Fifty Nine Thousand Seven Hundred Fifty Four Dollars
13 (**\$59,754**) is hereby appropriated from the SAR Fund to the Bureau of Budget and
14 Management Research to supplement its FY 2011 funding for General Base
15 Operations.

16 **Section 20. Appropriation to the Department of Youth Affairs.** The
17 sum of One Hundred Sixteen Thousand Four Hundred Thirty One Dollars
18 (**\$116,431**) is hereby appropriated from the SAR Fund to the Department of Youth
19 Affairs to supplement its FY 2011 funding for General Base Operations.

20 **Section 21. Appropriation to the Chief Medical Examiner.** The sum of
21 Twenty Five Thousand Six Hundred Seventy Eight Dollars (**\$25,678**) is hereby
22 appropriated from the SAR Fund to the Chief Medical Examiner to supplement its
23 FY 2011 funding for General Base Operations.

24 **Section 22. Appropriation to Retirees for Supplemental Annuity**
25 **Benefits and for Other Costs.** The sum of Three Hundred Twenty One Thousand
26 Three Hundred Three Dollars (**\$321,303**) is hereby appropriated from the SAR
27 Fund to the Supplemental Annuity Benefits Special Fund for direct payments to

1 government of Guam retirees who retired *prior* to October 1, 1995, or their
2 survivors, for the continuing payment of Four Thousand Two Hundred Thirty
3 Eight Dollars (\$4,238) per year in supplemental annuity benefits, consisting of the
4 sums of One Thousand Two Hundred Dollars (\$1,200), One Thousand Five
5 Hundred Dollars (\$1,500), Seven Hundred Dollars (\$700), and Eight Hundred
6 Thirty Eight Dollars (\$838) in annual benefits authorized by various General
7 Appropriation Acts.

8 **Section 23. Retirees Medicare Premiums.** For Fiscal Year 2011, the sum
9 of Two Hundred Eighty Five Thousand Dollars (**\$285,000**) is hereby appropriated
10 from the SAR Fund to the GGRF to pay the cost of Medicare premiums for
11 government of Guam retirees and their survivors domiciled on Guam, and who are
12 eligible to receive Social Security income benefits, and who are eligible to enroll in
13 the Government of Guam Group Health Insurance Program. No government of
14 Guam retiree or their survivor *shall* be required to enroll in the Government of
15 Guam Health Insurance Program in order to receive the reimbursement.

16 **Section 24. *I Maga'låhi* and *I Segundu Na Maga'låhi* / *I Segundu Na***
17 ***Maga'håga* Pensions.** For Fiscal Year 2011, the sum of Sixty Five Thousand Six
18 Hundred Thirty Six Dollars (**\$65,636**) is hereby appropriated from the SAR Fund
19 to the GGRF for *I Maga'lahi* and *I Segundu Na Maga'lahi/I Segundu Na*
20 *Maga'håga* Pensions.

21 **Section 25. Retirement Annuities for Judges & Justices.** For Fiscal Year
22 2011, the sum of Seven Thousand Nine Hundred Eighty One Dollars (**\$7,981**) is
23 hereby appropriated from the SAR Fund to the GGRF for retirement annuities for
24 former judges and justices of the Superior Court and Supreme Court of Guam.

25 **Section 26. Utility Bank Cost Account.** The sum of One Million Three
26 Hundred Ten Thousand Dollars (**\$1,310,000**) is hereby appropriated from the SAR
27 Fund to the Utility Bank Cost Account as administered by the Department of

1 Administration. This appropriation *shall* supplement the funding provided for
2 Water/Sewer requirements, made under the respective departments'/agencies'
3 Central Cost Accounts provided in Public Law 30-196, as amended by Public Law
4 30-224.

5 **Section 27. Guam Income Tax Return Processing Policy Initiative.**

6 (a) **Legislative Findings and Intent.** Section 15 of *I Maga'låhen*
7 *Guåhan's* Bill 184-31 (LS) requests Four Hundred Thousand Dollars (**\$400,000**) to
8 the Department of Revenue and Taxation (DRT) for the implementation of the
9 Electronic Filing Program. *I Liheslaturan Guåhan* finds that at this time it *shall*
10 require the DRT to pursue the policy of a joint agreement between the Internal
11 Revenue Service (IRS) and the Guam Department of Revenue and Taxation to
12 process Guam Income Tax Returns in an IRS Service Center as a means to a more
13 convenient, efficient, and cost-effective system by the automation of receiving and
14 processing Guam Income Tax Returns.

15 *I Liheslaturan Guåhan* further finds that the current inefficiencies in
16 processing Guam income tax returns by the Department of Revenue and Taxation
17 continue to be costly to the government of Guam. The DRT system suffers from
18 limited development capabilities, timing issues from annual software updates,
19 limited compliance analytics and aggregate reporting capabilities. *I Liheslaturan*
20 *Guåhan* recognizes these challenges which result in the inability to know the true
21 income tax liability of the government of Guam in a timely and useful manner.
22 There are also tremendous missed opportunities for statistical data collection and
23 also in uncollected tax revenue.

24 *I Liheslaturan Guåhan* further finds that the constant updating in the Internal
25 Revenue Code (IRC) also contributes to delays in the DRT from processing
26 income taxes. *I Liheslaturan Guåhan* recognizes that the current Guam income tax
27 system continuously needs to be programmed to reflect updated tax policies before

1 any income tax return is processed by the third party vendors which delays the
2 deployment of software updates and the timely start to income tax processing.

3 *I Liheslaturan Guåhan* further finds that the Department has limited
4 compliance staffing, which creates opportunities for high amounts of leakage of
5 income tax due to filing errors or omissions. Said system also does *not* verify and
6 match for unreported income such as dividends, interest, securities transaction and
7 other taxable income with tax information supplied by banks, brokerage firms and
8 other payers. *I Liheslaturan Guåhan* recognizes that the U.S. Department of
9 Interior Office of the Inspector General also noted that *no* high-dollar value or
10 complex audits were performed in a 2008 audit of the Department tax collection
11 activities.

12 (b) **Funding.** The sum of Four Hundred Thousand Dollars (**\$400,000**) is
13 hereby appropriated from the SAR Fund to the Department of Revenue and
14 Taxation to supplement or provide local matching funds to any federal grant funds
15 from the Department of Interior towards the integration of e-filing and processing
16 of all Guam Income Tax Returns in an IRS Service Center only.

17 **Section 28. Appropriation to the Department of Public Works for the**
18 ***Umatac and Merizo Cemeteries.***

19 (a) The sum of Two Hundred Fifty Thousand Dollars (**\$250,000**)
20 from the SAR Fund is hereby appropriated to the Department of Public
21 Works, who shall coordinate with the *Umatac* Mayor, for the re-enforcement
22 and stabilization of the *Umatac* cemetery to prevent the graves from eroding
23 into the ocean. Any amounts not expended *shall* revert to the SAR Fund;

24 (b) The sum of Two Hundred Fifty Thousand Dollars (**\$250,000**)
25 from the SAR Fund is hereby appropriated to the Department of Public
26 Works for the construction of the additional crypts at the *Merizo* Cemetery.
27 The Department of Public Works, the Department of Parks and Recreation

1 and the *Merizo* Mayor *shall* work collaboratively to ensure the project
 2 complies with all existing Memorandum of Understandings relative to the
 3 operations of the *Merizo* cemetery. Any amounts not expended shall revert
 4 to the SAR Fund.

5 **Section 29. Base Operational Appropriations.** The following Base
 6 Operational Appropriations, as reflected below in sub-items (a) and (b), are hereby
 7 adjusted as follows:

8 (a) Section 2(l) of Chapter V of Public Law 30-196, is hereby
 9 *amended* to read:

10 **“(I) GUAM POLICE DEPARTMENT**

11 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

12	APPROP. CLASS	OBJECT CLASS	GENERAL FUNDS	SPECIAL FUND	TOTAL
13	REG SALARIES	111	\$15,261,846	\$0	\$15,261,846
14	OT/SP	112	\$1,383,791	\$0	\$1,383,791
15	BENEFITS	113	\$4,605,895	\$0	\$4,605,895
16	CONT. SERV.	230	\$232,200	\$511,790	\$743,990
17	OFF. RENTAL	233	\$91,876	\$0	\$91,876
18	SUP. & MAT.	240	\$306,849	\$58,320	\$365,169
19	WRK. COMP.	270	\$17,017	\$0	\$17,017
20	PHONE/TOLL	363	\$273,166	\$0	\$273,166
21	GR. TOTAL		\$22,319,940	\$570,110	\$22,890,050

22 **Police Services Fund \$570,110**

23 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

24 **FUNDING SOURCE**

25	GENERAL FUND	\$22,319,940
26	FEDERAL MATCHING GRANTS-IN-AID	\$0
27	SPECIAL FUNDS	<u>\$570,110</u>

1 TOTAL \$22,890,050”

2 (b) Section 2(m) of Chapter V of Public Law 30-196, is hereby
3 amended to read:

4 “(m) DEPARTMENT OF CORRECTIONS
5 SUMMARY OF BASE OPERATIONAL APPROPRIATION

6	APPROP.CLASS	OBJECT. CLASS	GENERAL FUNDS	SPECIAL FUND	TOTAL
7	REG SALARIES	111	\$8,263,985	\$0	\$8,263,985
8	OT/SP	112	\$1,173,908	\$0	\$1,173,908
9	BENEFITS	113	\$2,469,881	\$0	\$2,469,881
10	GR. TOTAL		\$14,330,593	\$1,159,662	\$15,490,255

11 **DOC Revolving Fund \$1,063,662 (230-\$1,063,662)**

12 **Safe Streets Fund \$96,000 (240-\$96,000)**

13 SUMMARY OF BASE OPERATIONAL APPROPRIATION
14 FUNDING SOURCE

15	GENERAL FUND	\$14,330,593
16	FEDERAL MATCHING GRANTS-IN-AID	\$0
17	SPECIAL FUNDS	<u>\$1,159,662</u>
18	TOTAL	\$15,490,255”

19 **Section 30.** Unless otherwise ordered or allowed by the District Court of
20 Guam, the sum of Seven Hundred Sixty Three Thousand Eight Hundred Forty
21 Nine Dollars (**\$763,849**) is hereby appropriated from the SAR Fund to the
22 Department of Administration for payment compliance with the stipulated court
23 order of April 18, 2011 by the United States Federal District Court in Case No. CV
24 01-00041 CBM:

25 \$500,000 to be deposited no later than July 1, 2011;

26 \$3,200,000 to be deposited no later than August 1, 2011;

27 **\$3,700,000 Total**

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CHAPTER III
ENHANCED SPENDING AUTHORIZATION
OF EXISTING APPROPRIATIONS

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Section 1. Legislative Findings and Intent. *I Liheslaturan Guåhan* finds that pursuant to Executive Order 2011-1, the Bureau of Budget and Management Research has reported to *I Liheslatura* that the government of Guam expects a prospective savings of Four Million Four Hundred Twenty One Thousand Four Hundred Ninety One Dollars (**\$4,421,491**) in FY 2011 as detailed in Appendix II. It is the intent of *I Liheslatura*, therefore, to authorize one hundred percent (100%) transfer authority of unexpended appropriations from the object classes within the respective agencies as reported by BBMR to *I Maga'låhen Guåhan* as prospective savings.

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Furthermore, the BBMR Director testified under oath that pursuant to Executive Order 2011-1, they reduced the spending authority for the departments and agencies of the government of Guam by implementing a three percent (3%) reserve on the release of allotments, providing *I Maga'lahi* (the Governor) with the ability to transfer the savings of these appropriations to other areas in the budget which require increases in spending authority to meet unanticipated needs.

During times of financial distress it is vital that all branches, departments, and agencies of the government of Guam support the use of any excess appropriations by *I Maga'låhen Guåhan* to provide the additional spending authority required to pay for prior year obligations and additional expenditures in FY 2011.

Section 2. Special Transfer Authority of Unexpended Appropriations Resulting from Cost Containment Savings.

(a) Transfer Authority. Unless otherwise specified in this Act, *I Maga'låhen Guåhan* is hereby authorized to transfer one hundred percent

1 (100%) of Fiscal Year 2011 unexpended appropriations from any “Cost
2 Containment Measures Prospective Savings” identified by the Bureau of
3 Budget and Management Research by Fund source from object classes of the
4 agencies for which a savings is presented and is realized as specified in
5 Appendix II of this Act to fund the appropriations authorized by this Act.
6 The unexpended appropriations transferred pursuant to this Section *shall not*
7 exceed the prospective individual object class amounts by Fund by Agency
8 in Appendix II.

9 **(b) Reporting Requirement.** Notice of each transfer and
10 justification *shall* be submitted to the Speaker of *I Liheslaturan Guåhan* and
11 the Office of Finance and Budget five (5) working days prior to the transfer
12 of appropriation authority and *shall* specify each transfer from, by fiscal
13 year, by agency/department, by object class and by description of original
14 purpose of appropriation therefore; and transfer to, by fiscal year, by
15 agency/department, by object class and by description of new purpose
16 therefore, as illustrated in Appendix III.

17 **Section 3. Special Fund Transfer.** Section 8 of Chapter XIII of Public
18 Law 30-196, is hereby *amended* to read:

19 **“Section 8. Special Fund Transfer.** Unless specified in this Act, *I*
20 *Maga'lahren Guåhan* is authorized to transfer to the General Fund any cash
21 available from any appropriated Special Fund or Revolving Fund to fund the
22 appropriations authorized by this Act. All cash from Special Funds or
23 Revolving Funds transferred to cover the appropriations authorized by this
24 Act *shall* be promptly reimbursed to the Special or Revolving Fund from
25 which it was withdrawn as cash becomes available. *I Maga'lahren Guåhan*
26 *shall* submit a report to the Speaker of *I Liheslaturan Guåhan* on the fifth
27 (5th) day of every month on all transfers made pursuant to this Section. Said

1 report *shall* enumerate the amount of each transfer, identify the funds to and
2 from which the transfer was made and state the purpose of each transfer.
3 Unless otherwise restricted or specifically allowed by this Act, for FY 2011 *I*
4 *Maga'låhen Guåhan* is authorized to transfer *up to* fifteen percent (15%)
5 between Fiscal Year 2011 Special Fund Executive Branch base operational
6 (*except* the utility funds) appropriations contained in Chapter V and in Parts
7 II, III and IV of Chapter III of this Act; provided that notice of each transfer
8 and justification therefore are delivered five (5) working days before the
9 transfer is made to the Speaker of *I Liheslaturan Guåhan* and the Office of
10 Finance and Budget.”

11 **Section 4. Enhanced Spending Authorizations for Anticipated**
12 **Expenditures.** Notwithstanding any other provision of law, the following
13 anticipated expenditures are authorized from any of the enhanced spending
14 authorizations of unexpended existing appropriations extended to *I Maga'låhen*
15 *Guåhan* in Section 2(a) and Section 3(a) of this Chapter:

16 (a) Unless otherwise ordered or allowed by the District Court of
17 Guam, the sum of Two Million Nine Hundred Thirty Six Thousand One
18 Hundred Fifty One Dollars **(\$2,936,151)** is hereby authorized for payment
19 from any of the enhanced spending authorizations of unexpended existing
20 appropriations extended to *I Maga'låhen Guåhan* in Section 2(a) and
21 Section 3(a) of this Chapter:

22 \$500,000 to be deposited no later than July 1, 2011;

23 \$3,200,000 to be deposited no later than August 1, 2011;

24 (763,849) identified in Chapter II Section 30

25 **\$2,936,151 Total**

1	d.	Department of Youth Affairs	\$16,807
2	e.	Customs and Quarantine Agency	\$2,689
3	f.	Guam Fire Department	<u>\$88,697</u>
4		Total	\$2,647,402

5 **Section 5. Authorization for Guam Police Department and**
6 **Department of Corrections to Pay Prior Year Obligations for Overtime.**

7 Notwithstanding any other provision of law, the Department of Corrections and the
8 Guam Police Department are authorized to utilize its Base Operational
9 Appropriations for Fiscal Year 2011 to pay any prior years overtime incurred and
10 owed to its correction and police officers, respectively, provided it will *not* have a
11 shortfall for FY 2011 payroll before the end of the fiscal year.

12 **Section 6. Authorization to Make Payments of Prior Year Obligations.**

13 Notwithstanding any other provision of law, *I Maga'låhen Guåhan* is authorized to
14 pay for prior years obligations for all government of Guam agencies in Chapters II,
15 III and V of Public Law 30-196, from any of the enhanced spending authorizations
16 of existing unexpended appropriations extended to *I Maga'låhen Guåhan* in
17 Chapter III of this Act.

1 Authority, the Government of Guam Retirement Fund, and the Guam
2 Visitors Bureau.

3 (3) This report *shall* be filed with *I Maga'låhen Guåhan* and
4 the Speaker of *I Liheslaturan Guåhan* no later than June 30, 2011 for
5 the months of October, November, December, January, February,
6 March, April and May of Fiscal Year 2011, and *no later than* twenty
7 (20) days after the end of the months ending June, July, August, and
8 September of Fiscal Year 2011.

9 (c) All health insurance carriers for the government of Guam *shall*
10 file a monthly written report detailing each individual health insurance
11 premium payment received by the government of Guam health insurance
12 carrier from the government of Guam, by date and by agency, to *I*
13 *Maga'låhen Guåhan* and the Speaker of *I Liheslaturan Guåhan* no later
14 than June 30, 2011 for Fiscal Year 2010, and the months of October,
15 November, December, January, February, March, April and May of Fiscal
16 Year 2011, and *no later than* twenty (20) days after the end of the months
17 ending June, July, August, and September of Fiscal Year 2011.

18 (d) The Office of Public Accountability *shall* conduct a quarterly
19 audit of all reports submitted by insurance carriers by obtaining supporting
20 documents from all agencies and departments, autonomous or otherwise, of
21 the government of Guam to confirm and substantiate reported premium
22 payments.”

23 **Section 2.** Section 8 of Chapter I of PL 30-196 is hereby *repealed* in its
24 entirety.

25 **Section 3.** Section 2(g)(4) of Chapter V of Public Law 30-196 is *amended*
26 to read:

1 “(4) **Appropriation to Department of Revenue and Taxation for**
2 **Overtime to Process Tax Year 2010 Income Tax Returns.** *I Liheslaturan*
3 *Guåhan* finds that it is vital to the borrowing plan set forth in Chapter VI,
4 Section 1(j)(1) of the Biennial Budget Request for Fiscal Years 2012 and
5 2013, as submitted by *I Maga’låhen Guåhan*, for the government of Guam
6 to first complete the processing of all income tax returns for Tax Year 2010.
7 Until all income tax returns for Tax Year 2010 are completely processed, it
8 would be haphazard for the government of Guam to proceed with issuing
9 bonds without the inclusion of payments for tax refunds from Tax Year
10 2010.

11 It is, therefore, the intent of *I Liheslaturan Guåhan* that the sum of
12 Thirty Thousand Dollars (**\$30,000**) is appropriated from the General Fund to
13 the Department of Revenue and Taxation in Object Class 112 for Overtime,
14 for the purpose of completing the processing of all income tax returns from
15 Tax Year 2010. Such processing *shall* include the reconciliation and
16 adjustments to revenues and expenditures for all tax credits included in such
17 returns.”

18 **Section 4. Conditional Appropriations of Supplemental**
19 **Appropriations Revenue Fund.** Funds appropriated from the Supplemental
20 Appropriations Revenue Fund contained in Chapter II of this Act are conditioned
21 on and *shall* be effective upon written certification by the Director of
22 Administration that the deposits to the Income Tax Refund Efficient Payment Trust
23 Fund for Fiscal Year 2011 are in compliance with §51102 of Chapter 51 of Title 11
24 of the Guam Code Annotated *or* a written report submitted by the Director of the
25 Department of Administration to the Speaker of *I Liheslaturan Guåhan* by June 15,
26 2011 that such compliance with §51102 of Chapter 51 of Title 11 of the Guam
27 Code Annotated will be achieved *within* sixty (60) days after the enactment of this

1 Act. The written report *shall* contain admission by the Director of the Department
2 of Administration that compliance with §51102 of Chapter 51 of Title 11 of the
3 Guam Code Annotated was *not* achieved and a detailed plan as to how compliance
4 will be achieved within sixty (60) days after enactment of this Act.

5 **Section 5.** §51106 of Chapter 51 of Title 11, Guam Code Annotated, is
6 hereby *amended* to read:

7 **“§51106. Reports.**

8 (a) Monthly Reporting. The Tax Commissioner and the
9 Director of Administration *shall* report to *I Maga’lahen Guåhan* and *I*
10 *Liheslaturan Guåhan* regarding the total deposits in each month and the
11 current balance of the Trust Fund within fifteen (15) calendar days of the
12 end of each month.

13 (b) Monthly Audit by the OPA. The Office of Public
14 Accountability *shall* perform a monthly audit on the Income Tax Refund
15 Efficient Payment Trust Fund and the compliance of the Director of the
16 Department of Administration with §51102 of Chapter 51 of Title 11, Guam
17 Code Annotated. Said audit *shall* include, but is *not* limited to, auditing the
18 amounts of income tax, including, but *not* limited to, individual, corporate
19 and withholding, inclusive of interest and penalties, received by the
20 Department of Revenue and Taxation and the deposits made on a daily basis
21 by the Director of the Department of Administration and the Treasurer of
22 Guam or any other government of Guam agency or instrumentality to the
23 Income Tax Refund Efficient Payment Trust Fund.

24 Any bond proceeds or other deposits *not* related to daily revenue
25 collection by the government of Guam *shall* be delineated separately and
26 footnoted in said report in compliance with Internal Revenue Code Privacy
27 Act provisions. The OPA *shall* prepare and provide a written report of

1 compliance with §51102 of Chapter 51, Title 11, Guam Code Annotated,
2 within fifteen (15) calendar days of the end of each month for the preceding
3 month to *I Maga'låhen Guåhan*, to the Speaker of *I Liheslaturan Guåhan*,
4 and to the Attorney General of Guam.”

5 **Section 6. Accounting Recognition of Tax Year 2009 ARRA Make**
6 **Work Pay Tax Credit in Fiscal Year 2010 and Fiscal Year 2011.**

7 The Bureau of Budget and Management Research and the Department of
8 Administration *shall* recognize all revenues from the Tax Year 2009 ARRA Make
9 Work Pay Tax Credit, inclusive of pass through tax credits estimated in Chapter I,
10 Section 2 (A.) of Public Law 30-55, as amended by Chapter XIII, Section 21 of
11 Public Law 30-196, prior to the end of Fiscal Year 2011. The decision and
12 subsequent recording into the AS400 government of Guam financial management
13 system of which fiscal year(s) to recognize the Tax Year 2009 ARRA Make Work
14 Pay Tax Credit transactions *shall* occur no later than June 30, 2011. The Director
15 of the Department of Administrations *shall* provide a written report to *I*
16 *Maga'låhen Guåhan* and to the Speaker of *I Liheslaturan Guåhan* of the decided
17 amounts of Tax Year 2009 ARRA Make Work Pay Tax Credit revenue recognized
18 and recorded in the AS400 government of Guam financial management system, by
19 fiscal year, *no later than July 5, 2011.*

20 **Section 7. Accounting Recognition of Tax Year 2010 ARRA Make**
21 **Work Pay Tax Credit in Fiscal Year 2011.**

22 The Bureau of Budget and Management Research and the Department of
23 Administration *shall* recognize all revenues from the Tax Year 2010 ARRA Make
24 Work Pay Tax Credit, inclusive of pass through tax credits estimated in Public
25 Law 30-55 and Public Law 30-196, prior to the end of Fiscal Year 2011. The
26 recording into the AS400 government of Guam financial management system of
27 the Tax Year 2010 ARRA Make Work Pay Tax Credit transactions *shall* occur *no*

1 *later than* September 30, 2011. The Director of the Department of Administration
2 *shall* provide a written report to *I Maga'låhen Guåhan* and to the Speaker of *I*
3 *Liheslaturan Guåhan* of the decided amounts of Tax Year 2010 ARRA Make
4 Work Pay Tax Credit revenue recognized and recorded in the AS400 government
5 of Guam financial management system, by fiscal year, *no later than* October 15,
6 2011.

7 **Section 8. Pledge of Section 30 Revenues for the Expansion of Okkodo**
8 **High School.**

9 (a) §58B102 of Title 5, Guam Code Annotated, is hereby *amended* to
10 read as follows:

11 **“§58B102. Authorization to Enter into Long-Term Leases.**

12 For the purpose of facilitating the financing of the design,
13 construction and maintenance of an Education Facility encompassed by this
14 Act, the government of Guam or an Education Agency, as the case may be,
15 is authorized to lease, if required, to the Contractor sufficient government of
16 Guam real property on which to construct, convert or rehabilitate an
17 Education Facility and to extend an existing lease of real estate to the
18 Contractor.

19 The Education Agency is also authorized to lease back from the
20 Contractor the property for a period mutually agreed upon between the
21 Education Agency and the Contractor as may be reasonably necessary to
22 amortize over the Lease-Back Period the costs associated with the financing,
23 design and construction of the Education Facility. In no event shall the end
24 of such Lease-Back Period be later than seventeen (17) years from the
25 scheduled date of completion of the Education Facility. The Lease-Back
26 *shall* be structured as an annually renewable lease with a provision for

1 automatic renewals to the extent that pledged revenue under §58B105 is
2 available.

3 The additions and improvements to *Okkodo* High School *shall* include
4 the expansion of classrooms to accommodate the overcrowding, restroom
5 facilities at all outdoor sports fields, additional restrooms required by public
6 health due to the increase in student population, solar panels, the culinary
7 arts building, signalization, the track and field track with proper turf,
8 collateral equipment, and other projects needed to facilitate the expansion to
9 accommodate the increase in student population.”

10 (b) §58B105 of Title 5 Guam Code Annotated is hereby *amended* to read
11 as follows:

12 **“§58B105. Use of Qualified School Construction Bonds.**

13 To minimize the financing cost to the Education Agency, financing
14 utilized by the Contractor to fund the design and construction of the
15 Education Facility *shall* be through the use of Qualified School Construction
16 Bonds in an amount *not* to exceed Twenty-One Million Eight Hundred
17 Eighteen Thousand Dollars (**\$21,818,000**) as authorized under Section 1521
18 of P.L. 111-5 (The American Recovery and Reinvestment Act of 2009) and
19 the issuance of tax exempt bonds or lease certificates, provided such
20 financing is available at an interest rate of *no more than* eight and a half
21 percent (8.5%). Alternatively, the Contractor may use an alternative method
22 of financing, including, but *not* limited to, a short term debt, mortgage, loan,
23 federally guaranteed loan or loan by an instrumentality of the United States
24 of America, if such financing will better serve the needs of the people of
25 Guam. Such alternative financing *shall* be approved by *I Liheslaturan*
26 *Guåhan*. The purpose for the requirements of this Section is to assure the
27 Education Agency pays the lowest possible net interest rate so that the cost

1 to the Education Agency of financing the design and construction of an
2 Education Facility, amortized through the Lease-Back payments from the
3 Education Agency to the Contractor, will be lower than regular commercial
4 rates.”

5 (c) §58B106 of Title 5 Guam Code Annotated is hereby *amended* to read
6 as follows:

7 **“§58B106. Pledge of Section 30 Revenues.**

8 Rental payments under the Lease and the Lease-Back *shall* be secured
9 by a pledge or other reservation of revenues received by or on behalf of the
10 government of Guam from the United States of America pursuant to Section
11 30 of the Guam Organic Act (48 U.S.C.A. Section 1421h). Any amounts
12 pledged as provided in this Section are hereby continuously appropriated for
13 the purpose of making Lease-Back payments, but any amounts only reserved
14 as provided in this Section, and not pledged, *shall* be subject to annual
15 appropriation for the purpose of making Lease-Back payments.

16 Any such pledge or reservation authorized hereunder *shall* be valid
17 and binding from the time the pledge or reservation is made and *shall* be
18 limited to Two Million Nine Hundred Thousand Dollars (**\$2,900,000**) per
19 year during the Lease-Back Period, as prescribed in Section 3 of Public Law
20 30-178. The Section 30 revenues pledged or reserved and thereafter received
21 by the government of Guam or by any trustee, depository or custodian *shall*
22 be deposited in a separate account and *shall* be immediately subject to such
23 reservation or the lien of such pledge without any physical delivery thereof
24 or further act, and such reservation or the lien of such pledge *shall* be valid
25 and binding against all parties having claims of any kind in tort, contract or
26 otherwise against the government of Guam or such trustee, depository or
27 custodian, irrespective of whether the parties have notice thereof. The

1 instrument by which such pledge or reservation is created need not be
2 recorded. The remainder of the funds from the existing lien, supra, not
3 utilized for this project *shall* be subject to legislative appropriation.”

4 **Section 9.** The SAR Fund created in Chapter II of the Bill *shall not* be
5 subject to *I Maga’lahen Guåhan’s* transfer authority or any other law allowing use
6 or transfer of general or special funds; except that for the remainder of Fiscal Year
7 2011, *I Maga’lahen Guåhan* may transfer up to fifteen percent (15%) within and
8 between funds appropriated by *I Liheslatura* from the SAR Fund to other SAR
9 appropriations within Chapter II of the Supplemental Appropriations Act of 2011;
10 provided, that notice of each transfer and justification therefore are delivered to the
11 Speaker of *I Liheslaturan Guåhan* five working days prior to the transfer.
12 Revenues to and expenditures from the SAR Fund is restricted to only those
13 authorized by *I Liheslaturan Guåhan* in this or subsequent Acts.

1 Bonds or Loans paid for by General Fund revenues for which the GWA has
2 received proceeds.

3 *I Liheslaturan Guåhan* understands that the Committee had to work
4 diligently in order to uphold the spirit and letter of Public Law 30-145, due to the
5 incessant disregard of Public Law 30-145 by the Consolidated Commission on
6 Utilities (CCU) and the GWA. On June 2, 2011, the Public Utilities Commission
7 (PUC) dutifully and rightfully upheld and ordered that the CCU and the GWA
8 reimburse the government of Guam in the amount of Eighteen Million Three
9 Hundred Thirty Three Thousand Three Hundred Thirty Three Dollars
10 **(\$18,333,333)**.

11 *I Liheslaturan Guåhan* further finds that the use of such reimbursed funds
12 from the GWA will *not* only decrease the government of Guam’s deficit by the
13 cash infusion of Eighteen Million Three Hundred Thirty Three Thousand Three
14 Hundred Thirty Three Dollars **(\$18,333,333)**, but will provide a stimulus to our
15 fragile economy. Therefore, it is the intent of *I Liheslaturan Guåhan* to appropriate
16 these reimbursed funds for the purposes of COLA payments for retirees in
17 accordance with the judgment rendered in *Rios v. Camacho*, Superior Court No.
18 SP0206-93 and paying emergency income tax refunds.

19 **Section 2. Appropriation of Reimbursed Funds from the GWA.**

20 The sum of Eighteen Million Three Hundred Thirty Three Thousand Three
21 Hundred Thirty Three Dollars **(\$18,333,333)** reimbursed and received from the
22 Guam Waterworks Authority by the government of Guam in accordance with
23 Public Law 30-145 is hereby authorized for the following:

24 (a) Fifty-percent (50%) of the funds appropriated herein is hereby
25 appropriated to pay for income tax refunds for Tax Year 2009 and prior for “A-
26 status returns” and approved requests for emergency tax refunds payments filed
27 with the Department of Revenue and Taxation and *shall* be deposited by the bond

1 trustee of the Guam Waterworks Authority, or any other entity from which such
2 reimbursed funds are held, directly into the Income Tax Refund Efficient Payment
3 Trust Fund. For the purposes of this Section, an A-status return means income tax
4 returns that are certified by the Department of Revenue and Taxation and ready for
5 payment.

6 (b) Fifty-percent (50%) of the funds appropriated herein is hereby
7 appropriated to the Government of Guam Retirement Fund (GGRF) for the
8 payment of principal and interest that is owed to qualified retirees pursuant to Rios
9 v. Camacho, Superior Court No. SP0206-93, and *shall* be deposited by the bond
10 trustee of the Guam Waterworks Authority, or any other entity from which such
11 reimbursed funds are held, to the GGRF. Such payment of principal and interest
12 *shall* be prepared and disbursed in accordance with Section 3 of this Law.

13 **Section 3. Cost of Living Allowance (COLA) Preparation and**
14 **Disbursement Provisions.**

15 (a) The Government of Guam Retirement Fund and the Department of
16 Administration (DOA) *shall* perform the preparation of payments to COLA
17 recipients according to Section 2(b) of this Chapter. Upon preparing COLA
18 payments, the DOA *shall* request from the Government of Guam Retirement Fund,
19 the funds required to prepare COLA payments and *shall* be paid out from the bank
20 account set forth in Section 3(c) of this Chapter.

21 (b) The disbursement provisions for the appropriation in Section 2(b) are
22 principal or interest from principal owed to claimants set forth in Title 5, Guam
23 Code Annotated, Chapter 6, Article 4, §6404(d)(1) starting with the claimant with
24 the lowest initial award from the class settlement, followed by the next lowest
25 initial award from the class settlement, followed by the next lowest initial award
26 and repeating this disbursement methodology until all the funds appropriated in
27 Section 2(b) of this Chapter are exhausted.

1 (c) The funds requested and received by the DOA in accordance with
2 Section 3(a) *shall* be deposited into a bank account, separate and apart from the
3 General Fund, and *shall* only be withdrawn or expended for the payment of
4 principal and interest that is owed to qualified retirees pursuant to Rios v.
5 Camacho, Superior Court No. SP0206-93. Any funds transferred to the bank
6 account set forth in this Section, *shall not* be subject to the transfer authority of *I*
7 *Maga`lahen Guåhan*.

8 **Section 4. Reporting.** The DOA *shall* submit a written report regarding
9 the reimbursed funds from the Guam Waterworks Authority as indicated in Section
10 2(a) and (b) as follows:

11 (a) A detailed, written report of the actual expenditure of the
12 appropriation and the total amount deposited into the Income Tax Refund Efficient
13 Payment Trust Fund as outlined in Section 2(a) of this Act shall be reported to *I*
14 *Liheslaturan Guåhan* no later than September 30, 2011.

15 (b) A detailed written report of the total amount requested from the
16 Government of Guam Retirement Fund, the total amount received from the
17 Government of Guam Retirement Fund, the total amount disbursed and paid to for
18 the purposes set forth in Section 2(b), and a reconciliation and explanation if there
19 is/are any differences between such totals to *I Liheslaturan Guåhan* within forty-
20 five (45) days after being reimbursed by the Guam Waterworks Authority.

21 *No* portion of this appropriation *shall* be used for purposes other than that
22 which are specifically authorized in Section 2 of this Chapter.

23 **Section 5. Severability.** If any provisions of this Law or the application thereof to
24 any person or circumstance is held invalid, such invalidity *shall* not affect any
25 other provision or application of this Law which can be given effect without the

- 1 invalid provision or application, and to this end the provisions of this Law are
- 2 severable.

APPENDIX I

Health Insurance Bailout Agreement of FY 2011

Appendix I-A explicitly calculates and identifies the de-appropriation from Object Class 113 of the specific agencies, departments, and any other instrumentality of the government of Guam and the specific section in Public Law 30-196 as amended by Public Law 30-224 and the re-appropriation into the Health Benefit Fund to pay for health insurance premiums for government of Guam employees and retirees. The amount of \$6,837,736 represents the 'savings' as identified in Section 3 of Chapter XIII of Public Law 30-196.

FUNDING SOURCE AND AGENCY/DEPARTMENT	SECTION OF P.L. 30-196 AS AMENDED BY P.L. 30-224	AS-400 ACCOUNT NUMBER	CALCULATION OF HEALTH INSURANCE BAILOUT AGREEMENT OF FY 2011 "SAVINGS"								CALCULATED "SAVINGS"	
			FY2011 SALARIES AND BENEFITS APPROPRIATION			PER PAY PERIOD APPROPRIATION		PER PAY PERIOD (PPP) CAAL		PPP CAAL SAVINGS		PPP CAAL SAVINGS 9 PAY PERIODS
			OBJECT CLASS 111	OBJECT CLASS 113	SUBTOTAL	111	113	27.46%	21.44%			
GENERAL FUND		100A11										
OFFICE OF THE GOVERNOR	Chapter V, Section 2(a) & Chapter V, Section 2(v)	02	2,841,083	1,060,654	3,901,737	109,272	40,794	30,006	23,428	6,578	59,204	
GUAM STATE CLEARINGHOUSE	Chapter V, Section 2(a)	03	660,318	180,772	841,090	25,397	6,953	6,974	5,445	1,529	13,760	
BUREAU OF BUDGET & MANAGEMENT RESEARCH	Chapter V, Section 2(c)	04	210,762	31,221	241,983	8,106	1,201	2,226	1,738	488	4,392	
CIVIL SERVICE COMMISSION	Chapter V, Section 2(d)	05	505,205	148,685	653,890	19,431	5,719	5,336	4,166	1,170	10,528	
DEPARTMENT OF ADMINISTRATION	Chapter V, Section 2(e)	06	4,425,740	1,451,336	5,877,076	170,221	55,821	46,743	36,495	10,247	92,226	
GUAM ELECTION COMMISSION	Chapter V, Section 2(f)	07	189,715	78,008	267,723	7,297	3,000	2,004	1,564	439	3,953	
DEPARTMENT OF REVENUE & TAXATION	Chapter V, Section 2(g)	08	6,129,043	2,079,604	8,208,647	235,732	79,985	64,732	50,541	14,191	127,720	
BUREAU OF STATISTICS AND PLANS	Chapter V, Section 2(h)	09	850,340	276,372	1,126,712	32,705	10,630	8,981	7,012	1,969	17,720	
DEPARTMENT OF PUBLIC WORKS	Chapter V, Section 2(i)	10	5,753,100	1,946,010	7,699,110	221,273	74,847	60,762	47,441	13,321	119,886	
DEPARTMENT OF LAW	Chapter VII, PART I, Section 2	11	5,614,795	1,837,091	7,451,886	215,954	70,657	59,301	46,300	13,000	117,004	
GUAM POLICE DEPARTMENT	Chapter V, Section 2(i)	12	17,506,543	5,300,004	22,806,547	673,329	203,846	184,896	144,362	40,534	364,809	
DEPARTMENT OF CORRECTIONS	Chapter V, Section 2(m)	13	10,200,075	2,970,917	13,170,992	392,311	114,266	107,728	84,111	23,617	212,554	
DEPARTMENT OF AGRICULTURE	Chapter V, Section 2(n)	16	1,955,258	634,346	2,589,604	75,202	24,398	20,651	16,123	4,527	40,745	
DEPARTMENT OF PUBLIC HEALTH & SOCIAL SERVICES	Chapter III, Part II, Section 2	17	1,654,100	485,605	2,139,705	63,619	18,677	17,470	13,640	3,830	34,469	
GUAM PUBLIC LIBRARY	Chapter V, Section 2(o)	18	794,629	242,515	1,037,144	30,563	9,328	8,393	6,553	1,840	16,559	
DEPARTMENT OF YOUTH AFFAIRS	Chapter V, Section 2(p)	20	2,587,873	887,361	3,475,234	99,534	34,129	27,332	21,340	5,992	53,927	
DEPARTMENT OF MENTAL HEALTH & SUBSTANCE	Chapter III, Part III, Section 2	23	3,180,625	1,005,470	4,186,095	122,332	38,672	33,592	26,228	7,364	66,279	
DEPARTMENT OF LABOR / AHRD	Chapter V, Section 2(q)	24	237,312	53,043	290,355	9,127	2,040	2,506	1,957	549	4,945	
DEPARTMENT OF PARKS AND RECREATION	Chapter V, Section 2(s)	25	2,125,768	723,627	2,849,395	81,760	27,832	22,451	17,529	4,922	44,298	
DEPARTMENT OF INTEGRATED SERVICES FOR INDIVIDUALS	Chapter III, Part IV, Section 2	26	292,726	99,856	392,582	11,259	3,841	3,092	2,414	678	6,100	
MAYOR'S COUNCIL	Chapter VIII, Section 1	28	4,774,796	1,633,582	6,408,378	183,646	62,830	50,429	39,374	11,055	99,499	
CHIEF MEDICAL EXAMINER	Chapter V, Section 2(u)	30	258,771	83,236	342,007	9,953	3,201	2,733	2,134	599	5,392	
DEPARTMENT OF CHAMORRO AFFAIRS	Chapter V, Section 2(x)	36	571,435	190,250	761,685	21,978	7,317	6,035	4,712	1,323	11,908	
DEPARTMENT OF MILITARY AFFAIRS	Chapter V, Section 2(y)	37	100,235	15,270	115,505	3,855	587	1,059	827	232	2,089	
GUAM FIRE DEPARTMENT	Chapter V, Section 2(aa)	42	16,778,898	4,432,363	21,211,261	645,342	170,476	177,211	138,361	38,850	349,646	
EDUCATION SURUHANU	Chapter II, Part II, Section 1	49	109,172	35,821	144,993	4,199	1,378	1,153	900	253	2,275	
PBS GUAM	Chapter V, Section 2(cc)	63	377,704	133,889	511,593	14,527	5,150	3,989	3,115	875	7,871	
GUAM COMMISSION FOR EDUCATOR CERTIFICATION (GCEC)	Chapter II, Part III, Section 1	76	143,136	47,101	190,237	5,505	1,812	1,512	1,180	331	2,983	
OFFICE OF PUBLIC ACCOUNTABILITY	Chapter IX, PART I, Section 2	99	739,113	252,957	992,070	28,427	9,729	7,806	6,095	1,711	15,402	

APPENDIX I

Health Insurance Bailout Agreement of FY 2011

Appendix I-A explicitly calculates and identifies the de-appropriation from Object Class 113 of the specific agencies, departments, and any other instrumentality of the government of Guam and the specific section in Public Law 30-196 as amended by Public Law 30-224 and the re-appropriation into the Health Benefit Fund to pay for health insurance premiums for government of Guam employees and retirees. The amount of \$6,837,736 represents the 'savings' as identified in Section 3 of Chapter XIII of Public Law 30-196.

FUNDING SOURCE AND AGENCY/DEPARTMENT	SECTION OF P.L. 30-196 AS AMENDED BY P.L. 30-224	AS-400 ACCOUNT NUMBER	CALCULATION OF HEALTH INSURANCE BAILOUT AGREEMENT OF FY 2011 "SAVINGS"								CALCULATED "SAVINGS"	
			FY2011 SALARIES AND BENEFITS APPROPRIATION		PER PAY PERIOD APPROPRIATION		PER PAY PERIOD (PPP) U.A.A.L.		PPP U.A.A.L SAVINGS	PPP U.A.A.L SAVINGS 9 PAY PERIODS		
			OBJECT CLASS 111	113	SUBTOTAL	111	113	27.46%			21.44%	
TERRITORIAL HIGHWAY FUND		208A11										
DEPARTMENT OF PUBLIC WORKS	Chapter V, Section 2(i)	10	4,751,396	1,555,312	6,306,708	182,746	59,820	50,182	39,181	11,001	99,012	
GUAM REGIONAL TRANSIT AUTHORITY	Chapter V, Section 2(dd)	99	245,253	82,659	327,912	9,433	3,179	2,590	2,022	568	5,111	
CUSTOMS, AGRICULTURE AND QUARANTINE INSPECTION FUND		209A11										
CUSTOMS AND QUARANTINE AGENCY	Chapter V, Section 2(w)	32	5,837,235	1,804,776	7,642,011	224,509	69,414	61,650	48,135	13,515	121,639	
GUAM CONTRACTORS		213A11										
DEPARTMENT OF PUBLIC WORKS	Chapter V, Section 2(i)	10	349,305	126,097	475,402	13,435	4,850	3,689	2,880	809	7,279	
P.E.A.L.S. FUND		215A11										
DEPARTMENT OF PUBLIC WORKS	Chapter V, Section 2(i)	10	75,313	23,910	99,223	2,897	920	795	621	174	1,569	
LAND SURVEY REVOLVING FUND		222A11										
DEPARTMENT OF ADMINISTRATION	Chapter V, Section 2(e)	06	57,748	17,079	74,827	2,221	657	610	476	134	1,203	
DEPARTMENT OF LAND MANAGEMENT	Chapter V, Section 2(t)	29	1,729,020	594,612	2,323,632	66,501	22,870	18,261	14,258	4,003	36,030	
L.O. HIGHWAY BOND 2001A-CPF		224A11										
DEPARTMENT OF PUBLIC WORKS	Chapter V, Section 2(i)	10	553	28,021	28,574	21	1,078	6	5	1	12	
FIRE LIFE MEDIC EMERGENCY FUND		231A11										
GUAM FIRE DEPARTMENT	Chapter V, Section 2(aa)	42	462,000	138,000	600,000	17,769	5,308	4,879	3,810	1,070	9,627	
MANPOWER DEVELOPMENT FUND		232A11										
DEPARTMENT OF LABOR / AHRD	Chapter V, Section 2(r)	24	664,629	216,341	880,970	25,563	8,321	7,020	5,481	1,539	13,850	
DPW BUILDING & DESIGN FUND		235A11										
DEPARTMENT OF PUBLIC WORKS	Chapter V, Section 2(i)	10	299,488	88,777	388,265	11,519	3,415	3,163	2,470	693	6,241	
GUAM ENVIRONMENTAL FUND		245A11										
GUAM ENVIRONMENTAL PROTECTION AGENCY	Chapter V, Section 2(q)	22	93,128	33,321	126,449	3,582	1,282	984	768	216	1,941	
AIR POLLUTION CONTROL		265A11										
GUAM ENVIRONMENTAL PROTECTION AGENCY	Chapter V, Section 2(q)	22	139,129	48,830	187,959	5,351	1,878	1,469	1,147	322	2,899	
ENHANCED 911 EMERGENCY REPORT SYSTEM		281A11										
GUAM FIRE DEPARTMENT	Chapter V, Section 2(aa)	42	788,915	241,823	1,030,738	30,343	9,301	8,332	6,506	1,827	16,440	
WATER PROTECTION FUND		283A11										
GUAM ENVIRONMENTAL PROTECTION AGENCY	Chapter V, Section 2(q)	22	20,946	8,607	29,553	806	331	221	173	48	436	
WATER RESEARCH AND DEVELOPMENT		3A11										
GUAM ENVIRONMENTAL PROTECTION AGENCY	Chapter V, Section 2(q)	22	28,855	8,797	37,652	1,110	338	305	238	67	601	
INCOME TAX REF EFFICIENT PAYMENT TRUST FUND		321A11										
DEPARTMENT OF REVENUE & TAXATION	Chapter V, Section 2(g)	08	2,260,295	968,698	3,228,993	86,934	37,258	23,872	18,639	5,233	47,101	
CUSTOMS, AGRICULTURE AND QUARANTINE INSPECTION FUND		329A11										
DEPARTMENT OF ADMINISTRATION	Chapter V, Section 2(e)	06	171,731	71,073	242,804	6,605	2,734	1,814	1,416	398	3,579	
SOLID WASTE OPERATIONS FUND		416A11										
DEPARTMENT OF PUBLIC WORKS	Chapter V, Section 2(i)	10	1,403,213	496,767	1,899,980	53,970	19,106	14,820	11,571	3,249	29,241	
GUAM ENVIRONMENTAL PROTECTION AGENCY	Chapter V, Section 2(q)	22	57,180	14,206	71,386	2,199	546	604	472	132	1,192	
ENVIRONMENTAL HEALTH FUND		6A11										
DEPARTMENT OF PUBLIC HEALTH & SOCIAL SERVICES	Chapter III, Part II, Section 2	17	368,332	130,627	498,959	14,167	5,024	3,890	3,037	853	7,675	

APPENDIX I

Health Insurance Bailout Agreement of FY 2011

Appendix I-A explicitly calculates and identifies the de-appropriation from Object Class 113 of the specific agencies, departments, and any other instrumentality of the government of Guam and the specific section in Public Law 30-196 as amended by Public Law 30-224 and the re-appropriation into the Health Benefit Fund to pay for health insurance premiums for government of Guam employees and retirees. The amount of \$6,837,736 represents the 'savings' as identified in Section 3 of Chapter XIII of Public Law 30-196.

FUNDING SOURCE AND AGENCY/DEPARTMENT	SECTION OF P.L. 30-196 AS AMENDED BY P.L. 30-224	AS400 ACCOUNT NUMBER	CALCULATION OF HEALTH INSURANCE BAILOUT AGREEMENT OF FY 2011 "SAVINGS"								CALCULATED "SAVINGS"		
			FY2011 SALARIES AND BENEFITS APPROPRIATION			PER PAY PERIOD APPROPRIATION		PER PAY PERIOD (PPP) CAAL		PPP CAAL SAVINGS	PPP CAAL SAVINGS 9 PAY PERIODS		
			OBJECT CLASS 111	OBJECT CLASS 113	SUBTOTAL	111	113	27.46%	21.44%				
HEALTHY FUTURES FUND		602A11											
DEPARTMENT OF PUBLIC HEALTH & SOCIAL SERVICES	Chapter III, Part II, Section 2	17	3,894,219	1,264,147	5,158,366	149,778	48,621	41,129	32,112	9,017		81,150	
DEPARTMENT OF YOUTH AFFAIRS	Chapter V, Section 2(p)	20	105,818	38,185	144,003	4,070	1,469	1,118	873	245		2,205	
DEPARTMENT OF MENTAL HEALTH & SUBSTANCE	Chapter III, Part III, Section 2	23	2,195,160	670,304	2,865,464	84,429	25,781	23,184	18,102	5,083		45,744	
GUAM DEPARTMENT OF EDUCATION	Chapter II, Part I, Section 2	99	230,520	16,779	247,299	8,866	645	2,435	1,901	534		4,804	
TAX COLLECTION ENHANCEMENT FUND		603A11											
DEPARTMENT OF REVENUE & TAXATION	Chapter V, Section 2(g)	08	504,875	137,737	642,612	19,418	5,298	5,332	4,163	1,169		10,521	
GPSS OPERATIONS FUND		618A11											
GUAM DEPARTMENT OF EDUCATION	Chapter II, Part I, Section 2	99	106,831,658	35,595,594	142,427,252	4,108,910	1,369,061	1,128,307	880,950	247,356		2,226,207	
PUBLIC RECREATION SERVICES FUND		620A11											
DEPARTMENT OF PARKS AND RECREATION	Chapter V, Section 2(s)	25	154,000	46,000	200,000	5,923	1,769	1,626	1,270	357		3,209	
CHAMORRO LAND TRUST OPERATIONS		624A11											
DEPARTMENT OF ADMINISTRATION	Chapter V, Section 2(e)	06	34,379	9,939	44,318	1,322	382	363	283	80		716	
CHAMORRO LAND TRUST COMMISSION	Chapter V, Section 2(bb)	99	424,965	160,190	585,155	16,345	6,161	4,488	3,504	984		8,856	
INDIRECT COST FUND		632A11											
GUAM STATE CLEARINGHOUSE	Chapter V, Section 2(a)	03	239,673	79,930	319,603	9,218	3,074	2,531	1,976	555		4,994	
BUREAU OF BUDGET & MANAGEMENT RESEARCH	Chapter V, Section 2(c)	04	825,016	259,435	1,084,451	31,731	9,978	8,713	6,803	1,910		17,192	
DEPARTMENT OF ADMINISTRATION	Chapter V, Section 2(e)	06	694,355	239,941	934,296	26,706	9,229	7,333	5,726	1,608		14,469	
		SUBTOTAL	227,506,571	73,533,480	301,040,051	8,750,253	2,828,211	2,402,819	1,876,054	526,765		4,740,887	
GENERAL AND SPECIAL FUNDS													
ANCESTRAL LANDS COMMISSION	Chapter V, Section 2(b)		128,399	43,136	171,535	4,938	1,659	1,356	1,059	297		2,676	
CONTRACTORS LICENSING BOARD	Chapter V, Section 2(j)		342,835	126,097	468,932	13,186	4,850	3,621	2,827	794		7,144	
PEALS BOARD	Chapter V, Section 2(k)		72,862	23,910	96,772	2,802	920	770	601	169		1,518	
UNIVERSITY OF GUAM	Chapter II, Part IV, Section 2(a)		\$22,754,962	\$7,442,837	30,197,799	875,191	286,263	240,327	187,641	52,686		474,178 ¹	
GUAM COMMUNITY COLLEGE	Chapter II, Part V, Section 2(a)		\$8,395,455	\$2,819,913	11,215,369	322,902	108,458	88,669	69,230	19,439		174,948 ¹	
UNIFIED JUDICIARY	Chapter IV, Section 1		\$15,053,002	\$4,996,998	20,050,000	578,962	192,192	158,983	124,129	34,853		313,681 ¹	
GUAM LEGISLATURE	Chapter VI, Section 1 & Chapter VI, Section 2		\$2,310,172	\$634,373	2,944,546	88,853	24,399	24,399	19,050	5,349		48,140 ²	
PUBLIC DEFENDER SERVICE CORPORATION	Chapter VII, PART II, Section 1		\$2,322,754	\$719,458	3,042,212	89,337	27,671	24,532	19,154	5,378		48,403 ¹	
GUAM MEMORIAL HOSPITAL AUTHORITY	Chapter III, PART I		\$49,243,567	\$15,580,656	64,824,223	1,893,983	599,256	520,088	406,070	114,018		1,026,160 ¹	
		SUBTOTAL	100,624,009	32,387,379	133,011,388	3,870,154	1,245,668	1,062,744	829,761	232,983		2,096,850	
		GRAND TOTAL	328,130,580	105,920,859	434,051,439	12,620,407	4,073,879	3,465,564	2,705,815	759,748		6,837,736	

¹ Estimated based on FY 2011 budget requests submitted by Branches/Agencies by Object Class 111 & 113

² Estimated based on Government of Guam Retirement Fund Estimate

100% Federal Grants not included for FY 2011

100% Federal Continuing Grants not included

APPENDIX II
Cost Containment Measures Prospective Savings
Source: Bureau of Budget Management & Research

Department	Reg Salary	OT/SPay	Benefits	Travel	Contractual	Rental	Supplies	Equip	Misc	Power	Water	Telephone	CapOutlay	Total Funds	Breakdown by Funds	
	111	112	113	220	230	233	240	250	290	361	362	363	450		General Fund	Special Fund
1 Administration														\$0 1/	\$0	
2 Agriculture														\$0 2/	\$0	
3 Ancestral Lands Commission	\$5,347					\$13,056								\$18,403	\$18,403	
4 BBMR				\$8,853										\$8,853	\$8,853	
5 Bu of Stats & Plans												\$2,048		\$2,048	\$2,048	
6 Chamorro Affairs										\$34,825				\$34,825	\$34,825	
7 Chamorro Land Trust	\$16,093		\$4,652	\$3,600	\$46,000									\$70,345	\$70,345	
8 Chief Medical Examiner	\$480		\$140		\$3,000		\$3,219	\$4,285	\$35					\$11,159	\$11,159	
9 Civil Service Commission	\$54,205		\$27,527											\$81,733	\$81,733	
10 Comm. On Decolonization														\$0	\$0	
11 Contractors License Board	\$21,389			\$8,000										\$29,389	\$0	\$29,389
12 Corrections	\$0				\$293,000									\$293,000	\$293,000	
13 Customs & Quarantine	\$60,850		\$19,927						\$2,450					\$83,227	\$0	\$83,227
14 DISID					\$8,000	\$43,867	\$4,000					\$4,003		\$59,870	\$59,870	
15 Education														\$0	\$0	
16 GCAHA														\$0	\$0	
17 GCC														\$0	\$0	
18 GHURA	\$71,113		\$28,445	\$8,000	\$4,479		\$2,785	\$3,500		\$1,000				\$119,322	\$119,322	
19 GDDC														\$0	\$0	
20 GEPA														\$0	\$0	
21 GMHA	\$116,948												\$165,000	\$281,948	\$281,948	
22 Guam Board of Accountancy														\$0	\$0	
23 Guam Certification Office														\$0	\$0	
24 Guam Election Commission														\$0	\$0	
25 Guam Fire	\$77,077	\$12,995	\$26,792				\$15,000			\$10,000		\$3,600		\$145,464	\$145,464	
26 Guam Police					\$10,000									\$10,000 5/	\$10,000	
27 Guam Regional Transit Auth					\$1,996,140									\$1,996,140	\$1,996,140	
28 Gsclearinghouse - See Gov's Ofc.														\$0	\$0	
29 Guam Visitors Bureau														\$0	\$0	
30 Labor/AHRD	\$43,356		\$6,374											\$49,730	\$49,730	
31 Land Management					\$16,495	\$137,808								\$154,303	\$0	\$154,303
32 Library														\$0	\$0	
33 Mayors Council														\$0	\$0	
34 MHSA	\$116,948												\$165,000	\$281,948	\$0	\$281,948
35 Military Affairs	\$67,159									\$144,819	\$2,000	\$1,000		\$214,978	\$214,978	
36 Offc of the Educ Suruhanu					\$3,000	\$14,000	\$4,500					\$2,000		\$23,500	\$23,500	
37 Office of Attorney General														\$0	\$0	
38 Office of Public Accountability	\$51,986		\$19,184		\$10,830		\$3,000							\$85,000	\$85,000	
39 Office of the Governor										\$90,000				\$90,000 9/	\$90,000	
40 Parks & Recreation	\$39,855		\$19,074		\$10,096					\$23,776	\$37,056	\$5,292		\$135,149	\$135,149	
41 PBS Guam (KGTF)														\$0	\$0	
42 Port Authority of Guam															10/	
43 PEALS Board														\$0 11/	\$0	
44 PHSS														\$0 12/	\$0	
45 Public Works														\$0 13/	\$0	
46 Retirement Fund														\$0	\$0	
47 Revenue and Taxation	\$59,762		\$20,156		\$50,000		\$5,000							\$134,918	\$134,918	
48 UOG														\$0	\$0	
49 Veterans Affairs														\$0	\$0	
50 Youth Affairs							\$4,800			\$960	\$480			\$6,240	\$6,240	
TOTAL	\$802,568	\$12,995	\$172,272	\$28,453	\$2,451,040	\$208,731	\$42,304	\$7,785	\$2,485	\$305,380	\$39,536	\$17,943	\$330,000	\$4,421,491	\$3,872,624	\$548,867

APPENDIX III

Transfer Authority of Unexpended Appropriations Resulting from Cost Containment Savings

	From	To
Agency/ Department	Department #1	Department #2
Fiscal Year	FY 2010	FY 2011
Object Class	1XX	1XX
Amount of Transfer	\$1XX,XXX	\$1XX,XXX
Description	Description of Original Purpose: To provide funding to cover...	Description of New Purpose: To provide funding for



FILE COPY

I MINA'TRENTAI UNU NA LIHESLATURAN GUÅHAN
THIRTY-FIRST GUAM LEGISLATURE
155 Hessler Place, Hagåtña, Guam 96910

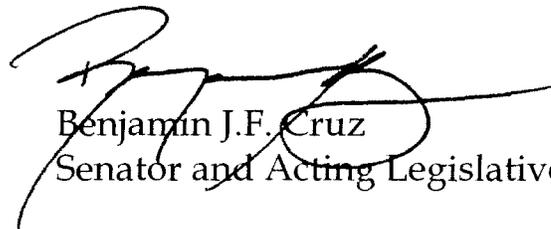
June 3, 2011

The Honorable Edward J.B. Calvo
I Maga'lahren Guåhan
Ufisinan I Maga'lahi
Hagåtña, Guam 96910

Dear *Maga'lahi* Calvo:

Transmitted herewith is Substitute Bill No. 184-31(LS) which was passed by *I Mina' Trentai Unu Na Liheslaturan Guåhan* on June 3, 2011.

Sincerely,



Benjamin J.F. Cruz
Senator and Acting Legislative Secretary

Enclosure (1)

1915 Hrs.
A. E. Perry
6-3-2011

FILED 07

I MINA'TRENTAI UNU NA LIHESLATURAN GUÅHAN
2011 (FIRST) Regular Session

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

This is to certify that **Substitute Bill No. 184-31 (LS)**, "AN ACT TO PROVIDE ADDITIONAL APPROPRIATION AUTHORIZATION FOR THE GOVERNMENT OF GUAM EMPLOYEE AND RETIREE HEALTH INSURANCE FOR FISCAL YEAR ENDING SEPTEMBER 30, 2011, AND FOR OTHER PURPOSES, TO BE KNOWN AS THE "SUPPLEMENTAL APPROPRIATIONS ACT OF 2011", was on the 3rd day of June, 2011, duly and regularly passed.



Judith T. Won Pat, Ed.D.
Speaker

Attested:



Benjamin J.F. Cruz
Acting Legislative Secretary

This Act was received by *I Maga'lahen Guåhan* this 3rd day of June, 2011, at 1915Hrs o'clock P.M.

Assistant Staff Officer
Maga'lahi's Office



APPROVED:

EDWARD J.B. CALVO
I Maga'lahen Guåhan

Date: _____

Public Law No. _____

I MINA'TRENTAI UNU NA LIHESLATURAN GUÅHAN
2011 (FIRST) Regular Session

Bill No. 184-31 (LS)

As substituted by the Committee on Appropriations,
Taxation, Banking, Insurance, Retirement, and Land,
and amended in the Committee of the Whole.

Introduced by:

Committee on Rules, Federal, Foreign
& Micronesian Affairs, and Human &
Natural Resources

at the request of *I Maga'lahaen Guåhan*,
the Governor of Guam, in accordance
with the Organic Act of Guam.

**AN ACT TO PROVIDE ADDITIONAL
APPROPRIATION AUTHORIZATION FOR THE
GOVERNMENT OF GUAM EMPLOYEE AND RETIREE
HEALTH INSURANCE FOR FISCAL YEAR ENDING
SEPTEMBER 30, 2011, AND FOR OTHER PURPOSES,
TO BE KNOWN AS THE “*SUPPLEMENTAL
APPROPRIATIONS ACT OF 2011.*”**

BE IT ENACTED BY THE PEOPLE OF GUAM:

CHAPTER I

HEALTH INSURANCE

Section 1. Short Title. This Act *shall* be known as the “*Supplemental Appropriations Act of 2011.*” *Except* as otherwise provided by this Act, the appropriations made by this Act *shall* be available to pay for obligations incurred on *or* after October 1, 2010, but *no later than* September 30, 2011. *If* any appropriation in this Act is found contrary to federal law, all other portions of this Act *shall* remain valid.

1 **Section 2. Legislative Findings and Intent.** *I Liheslaturan Guåhan* has
2 been presented with a Supplemental Appropriations Act of 2011, which is intended
3 to reprioritize budgeted appropriations for additional medical and dental insurance
4 for both the retirees and line agencies. This additional funding requirement was
5 confirmed by the Office of Finance and Budget, the Department of Administration
6 and the Bureau of Budget and Management Research, and further affirmed by the
7 Office of Public Accountability.

8 *I Liheslaturan Guåhan* affirmatively states the fact that the passage of the
9 General Appropriations Act of 2011 (Bill No. 439-30) occurred on August 20,
10 2010, and *I Maga'låhen Guåhan* enacted Bill No. 439-30 into law as Public Law
11 30-196 on September 1, 2010. The health insurance negotiating team, via the DOA
12 Director, notified the departments and agencies on August 26, 2010 of the new
13 health insurance rates for FY 2011.

14 Finalizing the cost of the government of Guam health insurance occurred
15 when the contract was signed by *I Maga'låhen Guåhan* on September 28, 2011,
16 forcing a \$22 Million Dollars cost increase to all branches and agencies of the
17 government of Guam, and autonomous agencies, including to all the taxpayers of
18 Guam, nearly a month after the passage of the Annual Budget Act.

19 *I Liheslaturan Guåhan* finds that in PL 30-196 (Bill 439-30), the Annual
20 Budget Act for FY 2011, *I Maga'låhen Guåhan* requested that health insurance for
21 FY 2011 be budgeted at the same funding level as the FY 2010 cost, and despite
22 this knowledge, he approved the final negotiated cost of the health insurance
23 contract which obligated the government to an additional unfunded \$22 Million
24 Dollars obligation. Rather than requesting for the renegotiation of the contract,
25 electing to enter arbitration to lower the increase in cost, or simply vetoing the
26 *General Appropriations Act of 2011* as insufficient, *I Maga'låhen Guåhan*
27 accepted the unwarranted, irresponsible health insurance cost increase of forty

1 percent (40%) and prioritizes payment to the health contract vendor of an
2 additional \$22 Million Dollars of public funds generated by the hard working
3 taxpayers of Guam, without legislative approval.

4 *I Liheslaturan Guåhan* advised the new Administration in November of
5 2010, in early January of 2011, and almost monthly thereafter, of the need to
6 address the unbudgeted increase in the cost of the health insurance contract for FY
7 2011 and the court-ordered payments for the Amended Permanent Injunction with
8 the need for a Fiscal Realignment Plan to address these and other post-budget
9 financial challenges.

10 On January 10, 2011, *I Maga'låhen Guåhan* issued Executive Order 2011-
11 01, which required all departments, agencies, or other government entities to
12 recommend short and long-term cost-reduction and cost-containment measures.
13 On February 3, 2011, the Office of Public Accountability in OPA Report No. 11-
14 01, "*Cost Reduction and Revenue Enhancement Recommendations Pursuant to*
15 *Executive Order No. 2011-01,*" recommended cost containment measure #7 -
16 Renegotiate Medical and Dental Insurance Rates.

17 Rather than try to negotiate a new arrangement under the existing contract, *I*
18 *Maga'låhen Guåhan* ignored the OPA recommendation and the call by *I*
19 *Liheslaturan Guåhan* for a Fiscal Realignment Plan. *I Maga'låhen Guåhan*
20 delayed action until May, when he proposed to increase the appropriation and
21 spending ceiling of the current budget for the existing health insurance
22 appropriation in order to avert the termination of medical coverage by mid-June for
23 retirees, employees and their families.

24 Instead, *I Maga'låhen Guåhan* issued Executive Order 2011-02 using his
25 Organic Act powers and canceled the Government of Guam Competitive Wage
26 Act of 2011, effective 12:00 a.m., January 30, 2011, and is now requesting the
27 authorization to spend the money appropriated for the Hay Study salary

**Estimated Additional Tax Revenue Collections Resulting from
the Government of Guam Competitive Wage Act of 2011**

Withholding Income Tax Revenue to Government of Guam	\$2,432,509
Additional Tax Generated by Additional Disposable Income	\$1,550,035
Total Additional Tax Collections	\$3,982,544
% of Total Cost Returning to Government of Guam	19%

1 adjustments to pay the increase in the health insurance contract. With the stroke of
 2 a pen, *I Maga'låhen Guåhan* chose to turn back the clock and take away what has
 3 been lawfully and rightfully given to government of Guam employees.
 4 The Government of Guam Competitive Wage Act of 2011 is undoubtedly an
 5 economic catalyst to Guam's economy. Every additional dollar received as a result
 6 of the pay increase is likely to circulate among and throughout the retail economy,
 7 as well as increase withholding revenue to the government of Guam. Eliminating
 8 the Government of Guam Competitive Wage Act of 2011 increases counteracted
 9 additional economic stimulus to the Guam economy.

10 The Office of Finance and Budget report entitled, "Measuring the Impact of
 11 the Government of Guam Competitive Wage Act of 2011," projects that over \$20
 12 Million Dollars of opportunity for local business and direct positive impact to
 13 government employees' cost-of-living could be realized through continued
 14 implementation of the Government of Guam Competitive Wage Act of 2011.
 15 Additional tax revenues that would be realized by the government are estimated to
 16 be \$4 Million Dollars or nineteen percent (19%) return of the total cost of
 17 implementation.

18 *I Liheslaturan Guåhan* is resolved to protect the priorities set forth in Public
 19 Law 30-196. It is imperative that *I Maga'låhen Guåhan* adhere to and administer
 20 the bills passed by the Legislative Branch and signed into law by the Executive
 21 Branch which prioritize the payment of tax refunds; outline solutions to improve
 22 cash flow; and require the reduction of the structural deficit. The Government of
 23 Guam Competitive Wage Act of 2011 remains an integral priority of the

1 government of Guam to retain and recruit the best employees to deliver vital
2 services to the people of Guam. Unfortunately, *I Maga'låhen Guåhan* has
3 reinforced his decision to cancel the Government of Guam Competitive Wage Act
4 of 2011 in his *Supplemental Appropriations Act of 2011* submission to *I*
5 *Liheslaturan Guåhan* to, instead, pay the full one hundred percent (100%) value of
6 the FY 2011 Health Insurance Contract.

7 **Section 3. Transfer of Government of Guam Competitive Wage Act of**
8 **2011 Appropriation for Health Insurance.** (a) Notwithstanding any limitation
9 of *I Maga'lahi's* (the Governor's) transfer authority or provision of law, the sum of
10 Seven Million Six Hundred Thousand Dollars (**\$7,600,000**) from the balance of the
11 appropriation made in Section 7(b) of Chapter XI of Public Law 30-196 may be
12 transferred to the Health Benefit Cost Account to pay for additional health
13 insurance premium payments required by contract for government of Guam
14 employees and retirees. The transfer of appropriation in Section 7(b) of Chapter
15 XI of Public Law 30-196 *shall* use the method of cash disbursement outlined in
16 Subsection (b) of this Section.

17 (b) The additional health insurance premium payments required by
18 contract for health insurance equally affects all branches, agencies and the retirees
19 funded by the *General Appropriations Act of 2011*. Therefore, all transfer of
20 appropriated funds authorized in Subsection (a) to pay for health insurance
21 premiums *shall not* exceed Twelve Million Seven Hundred Forty Five Thousand
22 Six Hundred Ninety Eight Dollars (**\$12,745,698**), and each allotment release
23 related to said transferred appropriations *shall* disburse any cash payment of
24 premiums on behalf of the following departments/agencies at the following ratios:

Table 1	Additional Appropriation Authorization	Ratio
Retirees (GGRF)	\$8,142,267	63.88%
Health Benefit Cost Account (DOA)	\$3,303,431	25.92%
DOE	\$1,300,000	10.20%
Total	\$12,745,698	100.00%

1 **Section 4.** Section 3 of Chapter XIII of Public Law 30-196, is hereby
2 *amended* to read:

3 **“Section 3. Government of Guam Retirement Fund Rate of**
4 **Contribution.** In accordance with §8137(e) of Article 1, Chapter 8 of Title
5 4 of the Guam Code Annotated, the government rate of contribution to the
6 Government of Guam Retirement Fund throughout Fiscal Year 2011 *shall*
7 be twenty seven and forty six hundredths percent (27.46%).

8 No later than June 15, 2011 the GGRF Board of Trustees and *I*
9 *Maga'låhen Guåhan shall* execute an Agreement titled the ***Health***
10 ***Insurance Bailout Agreement of FY 2011*** that reduces the sums paid of
11 government of Guam statutory employer contributions accordingly:

12 (a) Between June 4, 2011 and September 30, 2011, the
13 Government rate of contribution for agencies receiving appropriations
14 from *I Liheslaturan Guåhan* and for Federally-funded programs *shall*
15 equal seventy eight and seven hundredths percent (78.07%) of the
16 sum of the contribution rates required under §8137(e) of Article 1,
17 Chapter 8 of Title 4 of the Guam Code Annotated as amended.

18 (b) Between June 4, 2011 and September 30, 2011, the
19 government rate of contribution for autonomous agencies not
20 receiving appropriations from *I Liheslaturan Guåhan shall* equal one
21 hundred percent (100%) of the sum of the contribution rates required

1 under §8137(e) of Article 1, Chapter 8 of Title 4 of the Guam Code
2 Annotated as amended.

3 (c) For the period between June 4, 2011 and September 30,
4 2011, the “savings” to the government of Guam from the *Health*
5 *Insurance Bailout Agreement of FY 2011 shall* equal twenty one and
6 ninety three hundredths percent (21.93%) of the sum of the
7 contribution rates required under §8137(e) of Article 1, Chapter 8 of
8 Title 4 of the Guam Code Annotated, as amended.

9 (d) Five Million One Hundred Forty Five Thousand Six
10 Hundred Ninety Eight Dollars (**\$5,145,698**) of the “savings” resulting
11 from the *Health Insurance Bailout Agreement of FY 2011* is de-
12 appropriated and is hereby re-appropriated to the Health Benefit Cost
13 Account as calculated in Appendix I to pay for health insurance
14 premiums for government of Guam employees and retirees. The
15 funds re-appropriated in this Section *shall* disburse any cash payment
16 of premiums on behalf of the following agencies/departments using
17 the following ratio:

Table 1	Additional Appropriation Authorization	Ratio
Retirees (GGRF)	\$8,142,267	63.88%
Health Benefit Cost Account (DOA)	\$3,303,431	25.92%
DOE	\$1,300,000	10.20%
Total	\$12,745,698	100.00%

18 (e) The Guam Memorial Hospital Authority (GMHA) is
19 hereby required to remit to the GGRF all the calculated One Million
20 Twenty Six Thousand One Hundred Sixty Dollars (**\$1,026,160**)
21 savings from the reduction of the employer contribution pursuant to

1 Subsection (a) of this Section for the payment of current year
2 delinquent contributions for the members of the Defined Contribution
3 Plan (5% member and 5% employer contributions). These Funds
4 *shall* be deposited into the members' account upon receipt. The total
5 delinquent contributions due as of May 23, 2011 is One Million Three
6 Hundred Seventy Two Thousand Five Hundred Thirteen Dollars
7 **(\$1,372,513)**. GMH *shall* supplement an additional up to Three
8 Hundred Forty Six Thousand Three Hundred Fifty Three Dollars
9 **(\$346,353)** from other GMH funds as needed to ensure the entire
10 amount is remitted to the GGRF by September 30 2011.

11 (f) The reduction in the contribution rate in Subsection (a) of
12 this Section is hereby effective upon the execution of the Agreement
13 titled the *Health Insurance Bailout Agreement of FY 2011* that
14 reduces the government of Guam statutory employer contribution
15 accordingly. The Agreement *shall* be executed no later than June 15,
16 2011.”

17 **Section 5. Guam Memorial Hospital Authority Payment of Delinquent**
18 **Employee/Employer Contribution Share to the Government of Guam**
19 **Retirement Fund.** Section 6 of Chapter XII of Public Law 30-196, is hereby
20 *amended* to read:

21 **“Section 6. Section 1 of Public Law 28-38 is hereby *amended* to read as**
22 **follows:**

23 **“Section 1.** Special Retirement Provisions for the Guam Department
24 of Education (GDOE) and Guam Memorial Hospital Authority (GMHA).
25 On the first day of the first month following the enactment hereof and on
26 every first day of every month thereafter, the Department of Administration
27 (DOA) *shall* compute and recognize interest owed for both the GDOE and

1 GMHA retirement liabilities to the Government of Guam Retirement Fund
2 (GGRF) equal to outstanding liability multiplied by the one twelfth (1/12) of
3 the most recent historical five (5) year average annual rate of return of the
4 defined benefit investment portfolio, inclusive of performance which yielded
5 negative returns. Liability payments made by the GDOE or GMHA *shall* be
6 credited to the respective liability balance prior to the next month's interest
7 calculations. The GGRF *shall not* be entitled to any additional interest for
8 liabilities identified in this Section beyond what the DOA calculates on the
9 first day of each month. The GGRF *shall* accept and approve for retirement
10 any eligible employee of the DOE or the GMHA upon the condition that the
11 respective agency's employer and employee contributions to the Fund for the
12 applicable fiscal year are current and paid in full as provided in P.L. 27-106,
13 Chapter VI, Section 13. If the GDOE or GMHA fails to make current
14 payments for the applicable fiscal year, the Fund *shall* cease processing
15 applications from employees of that agency until payment is made in full.

16 The GGRF and the DOA *shall* reconcile the annualized interest paid
17 during the current fiscal year upon release of the GGRF rate of return
18 performance report for quarter ending September 30 for the same twelve
19 (12) month period. The GGRF *shall* invoice the DOA for any underpayment
20 of interest computed by subtracting actual interest payments from interest
21 calculated using the current fiscal year monthly principal balances outlined
22 in Section 1 and the twelve (12) month average rate of return for the same
23 period. Any overpayments to the GGRF *shall* remain with the GGRF.

24 On the first day of the first month following the enactment hereof and
25 on every first day of every month thereafter, with a grace period of *no more*
26 *than* ten (10) days, the Treasurer of Guam *shall* pay "interest only"
27 payments for the Guam Department of Education (GDOE) deficiency to the

1 Government of Guam Retirement Fund (GGRF) and the Treasurer of Guam
2 *shall* pay “interest only” payments for the Guam Memorial Hospital
3 Authority (GMHA) deficiency to the GGRF on the first day of the first
4 month following the enactment hereof and on every first day of every month
5 thereafter. The Government of Guam Retirement Fund *shall* accept and
6 approve for retirement any eligible employee of the Guam Department of
7 Education or the Guam Memorial Hospital Authority upon the condition that
8 the respective agency's employer and employee contributions to the Fund for
9 the applicable fiscal year are current and paid in full as provided in P.L. 27-
10 106, Chapter VI, Section 13, including interest and penalties pursuant to
11 Title 4 GCA §8137(c) and interest at the actuarial rate determined in the
12 latest completed actuarial valuation prepared for the Board of Trustees by
13 the actuary appointed by the Board, which is seven and one-half percent
14 (7.5%). If the Treasurer of Guam fails to make current payments as required
15 by this Section, or if GDOE or GMHA fails to make current payments for
16 the applicable fiscal year, the Fund *shall* cease processing applications from
17 employees of that agency until payment is made in full.”

18 (a) Monthly remittance to the GGRF, by the Department of
19 Administration (DOA) of interest only payments, in accordance with
20 Public Law 28-38, as amended by Public Law 30-196, are hereby
21 increased to include interest payments on the additional sum of Five
22 Million Five Hundred Twenty Six Thousand Seven Hundred Dollars
23 **(\$5,526,700)**, the delinquent amount owed to the GGRF by the
24 GMHA for FY 2011 employee/employer contribution share, is hereby
25 added to the delinquent amounts owed to the GGRF by the Guam
26 Memorial Hospital Authority for employee/employer contribution
27 share.

1 (b) Monthly remittance to the GGRF, by the Government of
2 Guam Department of Administration (DOA) of interest only
3 payments, in accordance with Public Law 28-38, as amended by
4 Public Law 30-196, and as further amended to include the sum of Six
5 Million Eight Hundred Thirty Seven Thousand Seven Hundred Thirty
6 Six Dollars (**\$6,837,736**) is hereby added to the delinquent amount
7 owed to the GGRF by the government of Guam for the loan of
8 Unfunded Actuarial Accrued Liability calculated savings pursuant to
9 Section 3(a) of Chapter XIII of Public Law 30-196 as further
10 amended.

11 (c) *I Maga'låhen Guåhan shall* include the re-financing of
12 the outstanding principal and interest owed to the Government of
13 Guam Retirement Fund herein in the next General Obligation Bond
14 issue of the government of Guam.”

1 Fund). If and when new supplemental revenue sources are identified after
2 the passage of the Annual Appropriations Act by the Executive Branch or *I*
3 *Liheslaturan Guåhan*, the SAR Fund *shall* serve as the clearinghouse for all
4 supplemental revenues, appropriations, and expenditures.

5 (b) There is hereby *added* a new Article 16 to Chapter 22 of Title 5,
6 Guam Code Annotated, to read:

7 **“ARTICLE 16**

8 **SUPPLEMENTAL APPROPRIATIONS REVENUE FUND**

9 **§221601. Creation.**

10 There is hereby created, separate and apart from all other funds of the
11 government of Guam, a fund known as the Supplemental Appropriations
12 Revenue Fund (SAR Fund).

13 **§221602. Separate Fund and Bank Account.**

14 The SAR Fund *shall not* be commingled with the General Fund or any
15 other funds of the government of Guam and *shall* be maintained in a
16 separate bank account, administered by the Director of the Department of
17 Administration in accordance with this Article.

18 **§221603. Purpose.**

19 The SAR Fund *shall* act as a clearinghouse account for *all*
20 supplemental revenues and expenditures identified by the government of
21 Guam in any Supplemental Appropriations Act and other Acts that contain
22 revenue sources that have *not* been identified in the General Appropriations
23 Act of each fiscal year.

24 **§221604. Administration of SAR Fund.**

25 The revenue sources identified in any Supplemental Appropriations
26 Act and other Acts that identify new revenue sources that have *not* been
27 identified in the General Appropriations Act during each fiscal year *shall* be

1 deposited or transferred into the SAR Fund and *shall* be expended
2 exclusively for the purposes set forth by *I Liheslaturan Guåhan* in any
3 Supplemental Appropriations Act or other Acts that identify new revenue
4 sources during each fiscal year.

5 The SAR Fund’s interest and investment earnings *shall* be subject to
6 legislative appropriation and *shall* be expended exclusively for the purposes
7 set forth by *I Liheslaturan Guåhan* in any Supplemental Appropriations Act
8 or other Acts that identify new revenue sources during each fiscal year.

9 The SAR Fund *shall not* be subject to *I Maga’lahen Guåhan’s*
10 transfer authority *or* any other law allowing use or transfer of special funds.
11 Revenues to and expenditures from the SAR fund is restricted to only those
12 authorized by *I Liheslaturan Guåhan* in this or subsequent Acts.

13 **§221605. Annual Audit.**

14 The Office of Public Accountability *shall* perform an annual audit of
15 the SAR Fund and the compliance of the Director of the Department of
16 Administration with the expenditure of such funds within the SAR Fund in
17 accordance with the administration and exclusive purposes of this Article.
18 Said audit *shall* include, but is *not* limited to, the revenues to the SAR Fund
19 and the expenditures from the SAR Fund. The OPA *shall* prepare and
20 provide a written report of compliance *no later than* seventy-five (75) days
21 after the end of the fiscal year to *I Maga’låhen Guåhan* and to the Speaker
22 of *I Liheslaturan Guåhan*.”

23 **Section 3.** Notwithstanding any other provision of law, the following sums
24 received as reimbursements from the United States Internal Revenue Service in
25 Fiscal Year 2011 *shall* be deposited directly into the SAR Fund:

- | | | | |
|----|----|---------------------------------------|-------------|
| 26 | a. | State of Legal Residence – Section 30 | \$2,300,000 |
| 27 | b. | American Opportunity Credit | \$2,300,000 |

1	c. Rebate Reimbursement		<u>\$600,000</u>
2	Total		\$5,200,000

3 **Section 4.** Notwithstanding any other provision of law, the unexpended
4 balance in the amount of One Million Dollars **(\$1,000,000)** from the Year 2010
5 Census contract, between the United States Census Bureau and the government of
6 Guam, is hereby transferred from the Census Fund into the SAR Fund.

7 **Section 5.** Notwithstanding any other provision of law, One Million
8 Dollars **(\$1,000,000)** from the Bond Reserve Fund for the Limited Obligation
9 Infrastructure Improvement Bonds, 1997 Series A, is hereby transferred from the
10 Bond Reserve Fund into the SAR Fund.

11 **Section 6.** Notwithstanding any other provision of law, the sum of Two
12 Million One Hundred Thousand Dollars **(\$2,100,000)** is hereby transferred from
13 the Autonomous Agency Collections Fund to the SAR Fund.

14 **Section 7.** Notwithstanding any other provision of law, the balance of
15 Four Million Three Hundred Thousand Dollars **(\$4,300,000)** to be reimbursed to
16 the government of Guam for the capital costs incurred by the government of Guam
17 for the construction of the *Layon* landfill and the closure of the *Ordot* dump,
18 subject to the approval of the U.S. District Court of Guam for the use of bond
19 funds secured through the issuance of the Government of Guam Limited
20 Obligation (Section 30) Series 2009A bonds, *shall* be deposited directly into the
21 SAR Fund.

22 **Section 8.** Notwithstanding any other provision of law, the remaining
23 balance of Six Hundred Sixty Five Thousand Eight Hundred Seventy Eight Dollars
24 **(\$665,878)** from the “savings” pursuant to Section 3(a) of Chapter XIII of Public
25 Law 30-196, as further amended by Section 4 of Chapter I and in Appendix I of
26 this Act, is hereby transferred from the General Fund into the SAR Fund.

1 **Section 9. Appropriation to Department of Mental Health and**
2 **Substance Abuse for Contractual Obligations and Salaries.** Notwithstanding
3 any other provision of law, the sum of One Hundred Fifty Three Thousand Six
4 Hundred Seventy Eight Dollars (**\$153,678**) is hereby appropriated from the SAR
5 Fund to the Department of Mental Health and Substance Abuse into Object Class
6 111.

7 The sum of One Million Five Hundred Eighty Five Thousand Six Hundred
8 Sixteen Dollars (**\$1,585,616**) is hereby appropriated from the SAR Fund to the
9 Department of Mental Health and Substance Abuse for the following contractual
10 obligations and other purposes:

11 (a) Payment for services provided by Latte Treatment Center, LLC
12 under contract reference C080600403 between May 1, 2011 and September
13 30, 2011 *not* to exceed Two Hundred Ninety Nine Thousand Two Hundred
14 Sixty One Dollars (**\$299,261**);

15 (b) Payment for services provided by Catholic Social Service under
16 contract reference C080601412 between May 1, 2011 and September 30,
17 2011 *not* to exceed Nine Hundred Forty Five Thousand Six Hundred Thirty
18 Nine Dollars (**\$945,639**);

19 (c) Payment for services provided by Latte Treatment Center, LLC
20 under contract reference C050604733 between May 1, 2011 and September
21 30, 2011 *not* to exceed Three Hundred Forty Thousand Seven Hundred
22 Sixteen Dollars (**\$340,716**).

23 **Section 10. Appropriation to the Department of Education for Utility**
24 **Costs.** The sum of Four Hundred Forty Thousand Four Hundred Seventy Seven
25 Dollars (**\$440,477**) is hereby appropriated from the SAR Fund to the Department
26 of Education into Object Class 361. This appropriation *shall* supplement the
27 funding provided for power requirements.

1	CONT. SERV.	230	\$199,200
2	SUP. & MAT.	240	\$20,000
3	EQUIPMENT	250	\$5,000
4	PHONE/TOLL	363	<u>\$164,000</u>
5	GR. TOTAL		\$883,547

6 **Section 13. Appropriation to the Department of Public Works.** The
7 sum of Three Hundred Forty Five Thousand Eight Hundred Ninety Two Dollars
8 **(\$345,892)** is hereby appropriated from the SAR Fund to the Department of Public
9 Works into Object Class 240. This appropriation *shall* supplement the funding
10 provided for Bus Operations Fuel requirements. The sum of One Hundred Thirty
11 Three Thousand Two Hundred Twenty Four Dollars **(\$133,224)** is hereby
12 appropriated from the SAR Fund to the Department of Public Works into Object
13 Class 111.

14 **Section 14. Appropriation to Department of Land Management for**
15 **Payment of Office Rental.** The sum of Seventy One Thousand Thirty Seven
16 Dollars **(\$71,037)** is appropriated from the FY 2011 Land Survey Revolving Fund
17 revenues to Object Class 233 for Office Rental. The sum of Two Hundred Forty
18 Three Thousand Two Hundred Twenty Three Dollars **(\$243,223)** is appropriated
19 from the SAR Fund to Object Class 233 for Office Rental.

20 **Section 15. Appropriation to the Department of Public Health and**
21 **Social Services.** The sum of Two Hundred Ninety One Thousand Eighty Five
22 Dollars **(\$291,085)** is hereby appropriated from the SAR Fund to the Department
23 of Public Health and Social Services to supplement its funding for FY 2011
24 General Base Operations.

25 **Section 16. Appropriation to the Department of Integrated Services for**
26 **Individuals with Disabilities.** The sum of One Hundred Sixty Six Thousand Nine
27 Hundred Forty Seven Dollars **(\$166,947)** is hereby appropriated from the SAR

1 Fund to the Department of Integrated Services for Individuals with Disabilities to
2 supplement its FY 2011 funding for General Base Operations.

3 **Section 17. Appropriation to the Office of the Governor.** The sum of
4 Six Hundred Fifty Thousand Dollars (**\$650,000**) is hereby appropriated from the
5 SAR Fund to the Office of the Governor to supplement its FY 2011 funding for
6 General Base Operations.

7 **Section 18. Appropriation to the Ancestral Lands Commission.** The
8 sum of Twenty Thousand Five Hundred Fifteen Dollars (**\$20,515**) is hereby
9 appropriated from the SAR Fund to the Ancestral Lands Commission to
10 supplement its FY 2011 funding for General Base Operations.

11 **Section 19. Appropriation to the Bureau of Budget and Management**
12 **Research.** The sum of Fifty Nine Thousand Seven Hundred Fifty Four Dollars
13 (**\$59,754**) is hereby appropriated from the SAR Fund to the Bureau of Budget and
14 Management Research to supplement its FY 2011 funding for General Base
15 Operations.

16 **Section 20. Appropriation to the Department of Youth Affairs.** The
17 sum of One Hundred Sixteen Thousand Four Hundred Thirty One Dollars
18 (**\$116,431**) is hereby appropriated from the SAR Fund to the Department of Youth
19 Affairs to supplement its FY 2011 funding for General Base Operations.

20 **Section 21. Appropriation to the Chief Medical Examiner.** The sum of
21 Twenty Five Thousand Six Hundred Seventy Eight Dollars (**\$25,678**) is hereby
22 appropriated from the SAR Fund to the Chief Medical Examiner to supplement its
23 FY 2011 funding for General Base Operations.

24 **Section 22. Appropriation to Retirees for Supplemental Annuity**
25 **Benefits and for Other Costs.** The sum of Three Hundred Twenty One Thousand
26 Three Hundred Three Dollars (**\$321,303**) is hereby appropriated from the SAR
27 Fund to the Supplemental Annuity Benefits Special Fund for direct payments to

1 government of Guam retirees who retired *prior* to October 1, 1995, or their
2 survivors, for the continuing payment of Four Thousand Two Hundred Thirty
3 Eight Dollars (\$4,238) per year in supplemental annuity benefits, consisting of the
4 sums of One Thousand Two Hundred Dollars (\$1,200), One Thousand Five
5 Hundred Dollars (\$1,500), Seven Hundred Dollars (\$700), and Eight Hundred
6 Thirty Eight Dollars (\$838) in annual benefits authorized by various General
7 Appropriation Acts.

8 **Section 23. Retirees Medicare Premiums.** For Fiscal Year 2011, the sum
9 of Two Hundred Eighty Five Thousand Dollars (**\$285,000**) is hereby appropriated
10 from the SAR Fund to the GGRF to pay the cost of Medicare premiums for
11 government of Guam retirees and their survivors domiciled on Guam, and who are
12 eligible to receive Social Security income benefits, and who are eligible to enroll in
13 the Government of Guam Group Health Insurance Program. No government of
14 Guam retiree or their survivor *shall* be required to enroll in the Government of
15 Guam Health Insurance Program in order to receive the reimbursement.

16 **Section 24. *I Maga'lâhi* and *I Segundu Na Maga'lâhi* / *I Segundu Na***
17 ***Maga'hâga* Pensions.** For Fiscal Year 2011, the sum of Sixty Five Thousand Six
18 Hundred Thirty Six Dollars (**\$65,636**) is hereby appropriated from the SAR Fund
19 to the GGRF for *I Maga'lâhi* and *I Segundu Na Maga'lâhi*/*I Segundu Na*
20 *Maga'hâga* Pensions.

21 **Section 25. Retirement Annuities for Judges & Justices.** For Fiscal Year
22 2011, the sum of Seven Thousand Nine Hundred Eighty One Dollars (**\$7,981**) is
23 hereby appropriated from the SAR Fund to the GGRF for retirement annuities for
24 former judges and justices of the Superior Court and Supreme Court of Guam.

25 **Section 26. Utility Bank Cost Account.** The sum of One Million Three
26 Hundred Ten Thousand Dollars (**\$1,310,000**) is hereby appropriated from the SAR
27 Fund to the Utility Bank Cost Account as administered by the Department of

1 Administration. This appropriation *shall* supplement the funding provided for
2 Water/Sewer requirements, made under the respective departments’/agencies’
3 Central Cost Accounts provided in Public Law 30-196, as amended by Public Law
4 30-224.

5 **Section 27. Guam Income Tax Return Processing Policy Initiative.**

6 (a) **Legislative Findings and Intent.** Section 15 of *I Maga’låhen*
7 *Guåhan’s* Bill 184-31 (LS) requests Four Hundred Thousand Dollars (**\$400,000**) to
8 the Department of Revenue and Taxation (DRT) for the implementation of the
9 Electronic Filing Program. *I Liheslaturan Guåhan* finds that at this time it *shall*
10 require the DRT to pursue the policy of a joint agreement between the Internal
11 Revenue Service (IRS) and the Guam Department of Revenue and Taxation to
12 process Guam Income Tax Returns in an IRS Service Center as a means to a more
13 convenient, efficient, and cost-effective system by the automation of receiving and
14 processing Guam Income Tax Returns.

15 *I Liheslaturan Guåhan* further finds that the current inefficiencies in
16 processing Guam income tax returns by the Department of Revenue and Taxation
17 continue to be costly to the government of Guam. The DRT system suffers from
18 limited development capabilities, timing issues from annual software updates,
19 limited compliance analytics and aggregate reporting capabilities. *I Liheslaturan*
20 *Guåhan* recognizes these challenges which result in the inability to know the true
21 income tax liability of the government of Guam in a timely and useful manner.
22 There are also tremendous missed opportunities for statistical data collection and
23 also in uncollected tax revenue.

24 *I Liheslaturan Guåhan* further finds that the constant updating in the Internal
25 Revenue Code (IRC) also contributes to delays in the DRT from processing
26 income taxes. *I Liheslaturan Guåhan* recognizes that the current Guam income tax
27 system continuously needs to be programmed to reflect updated tax policies before

1 any income tax return is processed by the third party vendors which delays the
2 deployment of software updates and the timely start to income tax processing.

3 *I Liheslaturan Guåhan* further finds that the Department has limited
4 compliance staffing, which creates opportunities for high amounts of leakage of
5 income tax due to filing errors or omissions. Said system also does *not* verify and
6 match for unreported income such as dividends, interest, securities transaction and
7 other taxable income with tax information supplied by banks, brokerage firms and
8 other payers. *I Liheslaturan Guåhan* recognizes that the U.S. Department of
9 Interior Office of the Inspector General also noted that *no* high-dollar value or
10 complex audits were performed in a 2008 audit of the Department tax collection
11 activities.

12 (b) **Funding.** The sum of Four Hundred Thousand Dollars (**\$400,000**) is
13 hereby appropriated from the SAR Fund to the Department of Revenue and
14 Taxation to supplement or provide local matching funds to any federal grant funds
15 from the Department of Interior towards the integration of e-filing and processing
16 of all Guam Income Tax Returns in an IRS Service Center only.

17 **Section 28. Appropriation to the Department of Public Works for the**
18 ***Umatac and Merizo Cemeteries.***

19 (a) The sum of Two Hundred Fifty Thousand Dollars (**\$250,000**)
20 from the SAR Fund is hereby appropriated to the Department of Public
21 Works, who shall coordinate with the *Umatac* Mayor, for the re-enforcement
22 and stabilization of the *Umatac* cemetery to prevent the graves from eroding
23 into the ocean. Any amounts not expended *shall* revert to the SAR Fund;

24 (b) The sum of Two Hundred Fifty Thousand Dollars (**\$250,000**)
25 from the SAR Fund is hereby appropriated to the Department of Public
26 Works for the construction of the additional crypts at the *Merizo* Cemetery.
27 The Department of Public Works, the Department of Parks and Recreation

1 and the *Merizo* Mayor shall work collaboratively to ensure the project
 2 complies with all existing Memorandum of Understandings relative to the
 3 operations of the *Merizo* cemetery. Any amounts not expended shall revert
 4 to the SAR Fund.

5 **Section 29. Base Operational Appropriations.** The following Base
 6 Operational Appropriations, as reflected below in sub-items (a) and (b), are hereby
 7 adjusted as follows:

8 (a) Section 2(l) of Chapter V of Public Law 30-196, is hereby
 9 amended to read:

10 **“(l) GUAM POLICE DEPARTMENT**

11 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

12	APPROP. CLASS	OBJECT CLASS	GENERAL FUNDS	SPECIAL FUND	TOTAL
13	REG SALARIES	111	\$15,261,846	\$0	\$15,261,846
14	OT/SP	112	\$1,383,791	\$0	\$1,383,791
15	BENEFITS	113	\$4,605,895	\$0	\$4,605,895
16	CONT. SERV.	230	\$232,200	\$511,790	\$743,990
17	OFF. RENTAL	233	\$91,876	\$0	\$91,876
18	SUP. & MAT.	240	\$306,849	\$58,320	\$365,169
19	WRK. COMP.	270	\$17,017	\$0	\$17,017
20	PHONE/TOLL	363	\$273,166	\$0	\$273,166
21	GR. TOTAL		\$22,319,940	\$570,110	\$22,890,050

22 **Police Services Fund \$570,110**

23 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

24 **FUNDING SOURCE**

25	GENERAL FUND	\$22,319,940
26	FEDERAL MATCHING GRANTS-IN-AID	\$0
27	SPECIAL FUNDS	<u>\$570,110</u>

1 TOTAL \$22,890,050”

2 (b) Section 2(m) of Chapter V of Public Law 30-196, is hereby
3 amended to read:

4 “(m) DEPARTMENT OF CORRECTIONS
5 SUMMARY OF BASE OPERATIONAL APPROPRIATION

6	APPROP.	CLASS	OBJECT.	CLASS	GENERAL FUNDS	SPECIAL FUND	TOTAL
7	REG SALARIES	111			\$8,263,985	\$0	\$8,263,985
8	OT/SP	112			\$1,173,908	\$0	\$1,173,908
9	BENEFITS	113			\$2,469,881	\$0	\$2,469,881
10	GR. TOTAL				\$14,330,593	\$1,159,662	\$15,490,255

11 DOC Revolving Fund \$1,063,662 (230-\$1,063,662)

12 Safe Streets Fund \$96,000 (240-\$96,000)

13 SUMMARY OF BASE OPERATIONAL APPROPRIATION

14 FUNDING SOURCE

15	GENERAL FUND	\$14,330,593
16	FEDERAL MATCHING GRANTS-IN-AID	\$0
17	SPECIAL FUNDS	<u>\$1,159,662</u>
18	TOTAL	\$15,490,255”

19 Section 30. Unless otherwise ordered or allowed by the District Court of
20 Guam, the sum of Seven Hundred Sixty Three Thousand Eight Hundred Forty
21 Nine Dollars (**\$763,849**) is hereby appropriated from the SAR Fund to the
22 Department of Administration for payment compliance with the stipulated court
23 order of April 18, 2011 by the United States Federal District Court in Case No. CV
24 01-00041 CBM:

25 \$500,000 to be deposited no later than July 1, 2011;

26 \$3,200,000 to be deposited no later than August 1, 2011;

27 **\$3,700,000 Total**

1 (100%) of Fiscal Year 2011 unexpended appropriations from any “Cost
2 Containment Measures Prospective Savings” identified by the Bureau of
3 Budget and Management Research by Fund source from object classes of the
4 agencies for which a savings is presented and is realized as specified in
5 Appendix II of this Act to fund the appropriations authorized by this Act.
6 The unexpended appropriations transferred pursuant to this Section *shall not*
7 exceed the prospective individual object class amounts by Fund by Agency
8 in Appendix II.

9 **(b) Reporting Requirement.** Notice of each transfer and
10 justification *shall* be submitted to the Speaker of *I Liheslaturan Guåhan* and
11 the Office of Finance and Budget five (5) working days prior to the transfer
12 of appropriation authority and *shall* specify each transfer from, by fiscal
13 year, by agency/department, by object class and by description of original
14 purpose of appropriation therefore; and transfer to, by fiscal year, by
15 agency/department, by object class and by description of new purpose
16 therefore, as illustrated in Appendix III.

17 **Section 3. Special Fund Transfer.** Section 8 of Chapter XIII of Public
18 Law 30-196, is hereby *amended* to read:

19 **“Section 8. Special Fund Transfer.** Unless specified in this Act, *I*
20 *Maga'lahen Guåhan* is authorized to transfer to the General Fund any cash
21 available from any appropriated Special Fund or Revolving Fund to fund the
22 appropriations authorized by this Act. All cash from Special Funds or
23 Revolving Funds transferred to cover the appropriations authorized by this
24 Act *shall* be promptly reimbursed to the Special or Revolving Fund from
25 which it was withdrawn as cash becomes available. *I Maga'lahen Guåhan*
26 *shall* submit a report to the Speaker of *I Liheslaturan Guåhan* on the fifth
27 (5th) day of every month on all transfers made pursuant to this Section. Said

1 report *shall* enumerate the amount of each transfer, identify the funds to and
2 from which the transfer was made and state the purpose of each transfer.
3 Unless otherwise restricted or specifically allowed by this Act, for FY 2011 *I*
4 *Maga'láhen Guåhan* is authorized to transfer *up to* fifteen percent (15%)
5 between Fiscal Year 2011 Special Fund Executive Branch base operational
6 (*except* the utility funds) appropriations contained in Chapter V and in Parts
7 II, III and IV of Chapter III of this Act; provided that notice of each transfer
8 and justification therefore are delivered five (5) working days before the
9 transfer is made to the Speaker of *I Liheslaturan Guåhan* and the Office of
10 Finance and Budget.”

11 **Section 4. Enhanced Spending Authorizations for Anticipated**
12 **Expenditures.** Notwithstanding any other provision of law, the following
13 anticipated expenditures are authorized from any of the enhanced spending
14 authorizations of unexpended existing appropriations extended to *I Maga'láhen*
15 *Guåhan* in Section 2(a) and Section 3(a) of this Chapter:

16 (a) Unless otherwise ordered or allowed by the District Court of
17 Guam, the sum of Two Million Nine Hundred Thirty Six Thousand One
18 Hundred Fifty One Dollars **(\$2,936,151)** is hereby authorized for payment
19 from any of the enhanced spending authorizations of unexpended existing
20 appropriations extended to *I Maga'láhen Guåhan* in Section 2(a) and
21 Section 3(a) of this Chapter:

22 \$500,000 to be deposited no later than July 1, 2011;

23 \$3,200,000 to be deposited no later than August 1, 2011;

24 (763,849) identified in Chapter II Section 30

25 **\$2,936,151 Total**

1	d.	Department of Youth Affairs	\$16,807
2	e.	Customs and Quarantine Agency	\$2,689
3	f.	Guam Fire Department	<u>\$88,697</u>
4		Total	\$2,647,402

5 **Section 5. Authorization for Guam Police Department and**
6 **Department of Corrections to Pay Prior Year Obligations for Overtime.**

7 Notwithstanding any other provision of law, the Department of Corrections and the
8 Guam Police Department are authorized to utilize its Base Operational
9 Appropriations for Fiscal Year 2011 to pay any prior years overtime incurred and
10 owed to its correction and police officers, respectively, provided it will *not* have a
11 shortfall for FY 2011 payroll before the end of the fiscal year.

12 **Section 6. Authorization to Make Payments of Prior Year Obligations.**

13 Notwithstanding any other provision of law, *I Maga'låhen Guåhan* is authorized to
14 pay for prior years obligations for all government of Guam agencies in Chapters II,
15 III and V of Public Law 30-196, from any of the enhanced spending authorizations
16 of existing unexpended appropriations extended to *I Maga'låhen Guåhan* in
17 Chapter III of this Act.

1 Authority, the Government of Guam Retirement Fund, and the Guam
2 Visitors Bureau.

3 (3) This report *shall* be filed with *I Maga'láhen Guåhan* and
4 the Speaker of *I Liheslaturan Guåhan no later than* June 30, 2011 for
5 the months of October, November, December, January, February,
6 March, April and May of Fiscal Year 2011, and *no later than* twenty
7 (20) days after the end of the months ending June, July, August, and
8 September of Fiscal Year 2011.

9 (c) All health insurance carriers for the government of Guam *shall*
10 file a monthly written report detailing each individual health insurance
11 premium payment received by the government of Guam health insurance
12 carrier from the government of Guam, by date and by agency, to *I*
13 *Maga'láhen Guåhan* and the Speaker of *I Liheslaturan Guåhan no later*
14 *than* June 30, 2011 for Fiscal Year 2010, and the months of October,
15 November, December, January, February, March, April and May of Fiscal
16 Year 2011, and *no later than* twenty (20) days after the end of the months
17 ending June, July, August, and September of Fiscal Year 2011.

18 (d) The Office of Public Accountability *shall* conduct a quarterly
19 audit of all reports submitted by insurance carriers by obtaining supporting
20 documents from all agencies and departments, autonomous or otherwise, of
21 the government of Guam to confirm and substantiate reported premium
22 payments.”

23 **Section 2.** Section 8 of Chapter I of PL 30-196 is hereby *repealed* in its
24 entirety.

25 **Section 3.** Section 2(g)(4) of Chapter V of Public Law 30-196 is *amended*
26 to read:

1 **“(4) Appropriation to Department of Revenue and Taxation for**
2 **Overtime to Process Tax Year 2010 Income Tax Returns.** *I Liheslaturan*
3 *Guåhan* finds that it is vital to the borrowing plan set forth in Chapter VI,
4 Section 1(j)(1) of the Biennial Budget Request for Fiscal Years 2012 and
5 2013, as submitted by *I Maga’låhen Guåhan*, for the government of Guam
6 to first complete the processing of all income tax returns for Tax Year 2010.
7 Until all income tax returns for Tax Year 2010 are completely processed, it
8 would be haphazard for the government of Guam to proceed with issuing
9 bonds without the inclusion of payments for tax refunds from Tax Year
10 2010.

11 It is, therefore, the intent of *I Liheslaturan Guåhan* that the sum of
12 Thirty Thousand Dollars (**\$30,000**) is appropriated from the General Fund to
13 the Department of Revenue and Taxation in Object Class 112 for Overtime,
14 for the purpose of completing the processing of all income tax returns from
15 Tax Year 2010. Such processing *shall* include the reconciliation and
16 adjustments to revenues and expenditures for all tax credits included in such
17 returns.”

18 **Section 4. Conditional Appropriations of Supplemental**
19 **Appropriations Revenue Fund.** Funds appropriated from the Supplemental
20 Appropriations Revenue Fund contained in Chapter II of this Act are conditioned
21 on and *shall* be effective upon written certification by the Director of
22 Administration that the deposits to the Income Tax Refund Efficient Payment Trust
23 Fund for Fiscal Year 2011 are in compliance with §51102 of Chapter 51 of Title 11
24 of the Guam Code Annotated *or* a written report submitted by the Director of the
25 Department of Administration to the Speaker of *I Liheslaturan Guåhan* by June 15,
26 2011 that such compliance with §51102 of Chapter 51 of Title 11 of the Guam
27 Code Annotated will be achieved *within* sixty (60) days after the enactment of this

1 Act. The written report *shall* contain admission by the Director of the Department
2 of Administration that compliance with §51102 of Chapter 51 of Title 11 of the
3 Guam Code Annotated was *not* achieved and a detailed plan as to how compliance
4 will be achieved within sixty (60) days after enactment of this Act.

5 **Section 5.** §51106 of Chapter 51 of Title 11, Guam Code Annotated, is
6 hereby *amended* to read:

7 **“§51106. Reports.**

8 (a) Monthly Reporting. The Tax Commissioner and the
9 Director of Administration *shall* report to *I Maga’lahen Guåhan* and *I*
10 *Liheslaturan Guåhan* regarding the total deposits in each month and the
11 current balance of the Trust Fund within fifteen (15) calendar days of the
12 end of each month.

13 (b) Monthly Audit by the OPA. The Office of Public
14 Accountability *shall* perform a monthly audit on the Income Tax Refund
15 Efficient Payment Trust Fund and the compliance of the Director of the
16 Department of Administration with §51102 of Chapter 51 of Title 11, Guam
17 Code Annotated. Said audit *shall* include, but is *not* limited to, auditing the
18 amounts of income tax, including, but *not* limited to, individual, corporate
19 and withholding, inclusive of interest and penalties, received by the
20 Department of Revenue and Taxation and the deposits made on a daily basis
21 by the Director of the Department of Administration and the Treasurer of
22 Guam or any other government of Guam agency or instrumentality to the
23 Income Tax Refund Efficient Payment Trust Fund.

24 Any bond proceeds or other deposits *not* related to daily revenue
25 collection by the government of Guam *shall* be delineated separately and
26 footnoted in said report in compliance with Internal Revenue Code Privacy
27 Act provisions. The OPA *shall* prepare and provide a written report of

1 compliance with §51102 of Chapter 51, Title 11, Guam Code Annotated,
2 within fifteen (15) calendar days of the end of each month for the preceding
3 month to *I Maga'låhen Guåhan*, to the Speaker of *I Liheslaturan Guåhan*,
4 and to the Attorney General of Guam.”

5 **Section 6. Accounting Recognition of Tax Year 2009 ARRA Make**
6 **Work Pay Tax Credit in Fiscal Year 2010 and Fiscal Year 2011.**

7 The Bureau of Budget and Management Research and the Department of
8 Administration *shall* recognize all revenues from the Tax Year 2009 ARRA Make
9 Work Pay Tax Credit, inclusive of pass through tax credits estimated in Chapter I,
10 Section 2 (A.) of Public Law 30-55, as amended by Chapter XIII, Section 21 of
11 Public Law 30-196, prior to the end of Fiscal Year 2011. The decision and
12 subsequent recording into the AS400 government of Guam financial management
13 system of which fiscal year(s) to recognize the Tax Year 2009 ARRA Make Work
14 Pay Tax Credit transactions *shall* occur no later than June 30, 2011. The Director
15 of the Department of Administrations *shall* provide a written report to *I*
16 *Maga'låhen Guåhan* and to the Speaker of *I Liheslaturan Guåhan* of the decided
17 amounts of Tax Year 2009 ARRA Make Work Pay Tax Credit revenue recognized
18 and recorded in the AS400 government of Guam financial management system, by
19 fiscal year, *no later than* July 5, 2011.

20 **Section 7. Accounting Recognition of Tax Year 2010 ARRA Make**
21 **Work Pay Tax Credit in Fiscal Year 2011.**

22 The Bureau of Budget and Management Research and the Department of
23 Administration *shall* recognize all revenues from the Tax Year 2010 ARRA Make
24 Work Pay Tax Credit, inclusive of pass through tax credits estimated in Public
25 Law 30-55 and Public Law 30-196, prior to the end of Fiscal Year 2011. The
26 recording into the AS400 government of Guam financial management system of
27 the Tax Year 2010 ARRA Make Work Pay Tax Credit transactions *shall* occur *no*

1 *later than* September 30, 2011. The Director of the Department of Administration
2 *shall* provide a written report to *I Maga'låhen Guåhan* and to the Speaker of *I*
3 *Liheslaturan Guåhan* of the decided amounts of Tax Year 2010 ARRA Make
4 Work Pay Tax Credit revenue recognized and recorded in the AS400 government
5 of Guam financial management system, by fiscal year, *no later than* October 15,
6 2011.

7 **Section 8. Pledge of Section 30 Revenues for the Expansion of *Okkodo***
8 **High School.**

9 (a) §58B102 of Title 5, Guam Code Annotated, is hereby *amended* to
10 read as follows:

11 **“§58B102. Authorization to Enter into Long-Term Leases.**

12 For the purpose of facilitating the financing of the design,
13 construction and maintenance of an Education Facility encompassed by this
14 Act, the government of Guam or an Education Agency, as the case may be,
15 is authorized to lease, if required, to the Contractor sufficient government of
16 Guam real property on which to construct, convert or rehabilitate an
17 Education Facility and to extend an existing lease of real estate to the
18 Contractor.

19 The Education Agency is also authorized to lease back from the
20 Contractor the property for a period mutually agreed upon between the
21 Education Agency and the Contractor as may be reasonably necessary to
22 amortize over the Lease-Back Period the costs associated with the financing,
23 design and construction of the Education Facility. In no event shall the end
24 of such Lease-Back Period be later than seventeen (17) years from the
25 scheduled date of completion of the Education Facility. The Lease-Back
26 *shall* be structured as an annually renewable lease with a provision for

1 automatic renewals to the extent that pledged revenue under §58B105 is
2 available.

3 The additions and improvements to *Okkodo* High School *shall* include
4 the expansion of classrooms to accommodate the overcrowding, restroom
5 facilities at all outdoor sports fields, additional restrooms required by public
6 health due to the increase in student population, solar panels, the culinary
7 arts building, signalization, the track and field track with proper turf,
8 collateral equipment, and other projects needed to facilitate the expansion to
9 accommodate the increase in student population.”

10 (b) §58B105 of Title 5 Guam Code Annotated is hereby *amended* to read
11 as follows:

12 **“§58B105. Use of Qualified School Construction Bonds.**

13 To minimize the financing cost to the Education Agency, financing
14 utilized by the Contractor to fund the design and construction of the
15 Education Facility *shall* be through the use of Qualified School Construction
16 Bonds in an amount *not* to exceed Twenty-One Million Eight Hundred
17 Eighteen Thousand Dollars (**\$21,818,000**) as authorized under Section 1521
18 of P.L. 111-5 (The American Recovery and Reinvestment Act of 2009) and
19 the issuance of tax exempt bonds or lease certificates, provided such
20 financing is available at an interest rate of *no more than* eight and a half
21 percent (8.5%). Alternatively, the Contractor may use an alternative method
22 of financing, including, but *not* limited to, a short term debt, mortgage, loan,
23 federally guaranteed loan or loan by an instrumentality of the United States
24 of America, if such financing will better serve the needs of the people of
25 Guam. Such alternative financing *shall* be approved by *I Liheslaturan*
26 *Guåhan*. The purpose for the requirements of this Section is to assure the
27 Education Agency pays the lowest possible net interest rate so that the cost

1 to the Education Agency of financing the design and construction of an
2 Education Facility, amortized through the Lease-Back payments from the
3 Education Agency to the Contractor, will be lower than regular commercial
4 rates.”

5 (c) §58B106 of Title 5 Guam Code Annotated is hereby *amended* to read
6 as follows:

7 **“§58B106. Pledge of Section 30 Revenues.**

8 Rental payments under the Lease and the Lease-Back *shall* be secured
9 by a pledge or other reservation of revenues received by or on behalf of the
10 government of Guam from the United States of America pursuant to Section
11 30 of the Guam Organic Act (48 U.S.C.A. Section 1421h). Any amounts
12 pledged as provided in this Section are hereby continuously appropriated for
13 the purpose of making Lease-Back payments, but any amounts only reserved
14 as provided in this Section, and not pledged, *shall* be subject to annual
15 appropriation for the purpose of making Lease-Back payments.

16 Any such pledge or reservation authorized hereunder *shall* be valid
17 and binding from the time the pledge or reservation is made and *shall* be
18 limited to Two Million Nine Hundred Thousand Dollars (**\$2,900,000**) per
19 year during the Lease-Back Period, as prescribed in Section 3 of Public Law
20 30-178. The Section 30 revenues pledged or reserved and thereafter received
21 by the government of Guam or by any trustee, depository or custodian *shall*
22 be deposited in a separate account and *shall* be immediately subject to such
23 reservation or the lien of such pledge without any physical delivery thereof
24 or further act, and such reservation or the lien of such pledge *shall* be valid
25 and binding against all parties having claims of any kind in tort, contract or
26 otherwise against the government of Guam or such trustee, depository or
27 custodian, irrespective of whether the parties have notice thereof. The

1 instrument by which such pledge or reservation is created need not be
2 recorded. The remainder of the funds from the existing lien, supra, not
3 utilized for this project *shall* be subject to legislative appropriation.”

4 **Section 9.** The SAR Fund created in Chapter II of the Bill *shall not* be
5 subject to *I Maga’lahen Guåhan’s* transfer authority or any other law allowing use
6 or transfer of general or special funds; except that for the remainder of Fiscal Year
7 2011, *I Maga’lahen Guåhan* may transfer up to fifteen percent (15%) within and
8 between funds appropriated by *I Liheslatura* from the SAR Fund to other SAR
9 appropriations within Chapter II of the Supplemental Appropriations Act of 2011;
10 provided, that notice of each transfer and justification therefore are delivered to the
11 Speaker of *I Liheslaturan Guåhan* five working days prior to the transfer.
12 Revenues to and expenditures from the SAR Fund is restricted to only those
13 authorized by *I Liheslaturan Guåhan* in this or subsequent Acts.

1 Bonds or Loans paid for by General Fund revenues for which the GWA has
2 received proceeds.

3 *I Liheslaturan Guåhan* understands that the Committee had to work
4 diligently in order to uphold the spirit and letter of Public Law 30-145, due to the
5 incessant disregard of Public Law 30-145 by the Consolidated Commission on
6 Utilities (CCU) and the GWA. On June 2, 2011, the Public Utilities Commission
7 (PUC) dutifully and rightfully upheld and ordered that the CCU and the GWA
8 reimburse the government of Guam in the amount of Eighteen Million Three
9 Hundred Thirty Three Thousand Three Hundred Thirty Three Dollars
10 **(\$18,333,333)**.

11 *I Liheslaturan Guåhan* further finds that the use of such reimbursed funds
12 from the GWA will *not* only decrease the government of Guam’s deficit by the
13 cash infusion of Eighteen Million Three Hundred Thirty Three Thousand Three
14 Hundred Thirty Three Dollars **(\$18,333,333)**, but will provide a stimulus to our
15 fragile economy. Therefore, it is the intent of *I Liheslaturan Guåhan* to appropriate
16 these reimbursed funds for the purposes of COLA payments for retirees in
17 accordance with the judgment rendered in *Rios v. Camacho*, Superior Court No.
18 SP0206-93 and paying emergency income tax refunds.

19 **Section 2. Appropriation of Reimbursed Funds from the GWA.**

20 The sum of Eighteen Million Three Hundred Thirty Three Thousand Three
21 Hundred Thirty Three Dollars **(\$18,333,333)** reimbursed and received from the
22 Guam Waterworks Authority by the government of Guam in accordance with
23 Public Law 30-145 is hereby authorized for the following:

24 (a) Fifty-percent (50%) of the funds appropriated herein is hereby
25 appropriated to pay for income tax refunds for Tax Year 2009 and prior for “A-
26 status returns” and approved requests for emergency tax refunds payments filed
27 with the Department of Revenue and Taxation and *shall* be deposited by the bond

1 trustee of the Guam Waterworks Authority, or any other entity from which such
2 reimbursed funds are held, directly into the Income Tax Refund Efficient Payment
3 Trust Fund. For the purposes of this Section, an A-status return means income tax
4 returns that are certified by the Department of Revenue and Taxation and ready for
5 payment.

6 (b) Fifty-percent (50%) of the funds appropriated herein is hereby
7 appropriated to the Government of Guam Retirement Fund (GGRF) for the
8 payment of principal and interest that is owed to qualified retirees pursuant to Rios
9 v. Camacho, Superior Court No. SP0206-93, and *shall* be deposited by the bond
10 trustee of the Guam Waterworks Authority, or any other entity from which such
11 reimbursed funds are held, to the GGRF. Such payment of principal and interest
12 *shall* be prepared and disbursed in accordance with Section 3 of this Law.

13 **Section 3. Cost of Living Allowance (COLA) Preparation and**
14 **Disbursement Provisions.**

15 (a) The Government of Guam Retirement Fund and the Department of
16 Administration (DOA) *shall* perform the preparation of payments to COLA
17 recipients according to Section 2(b) of this Chapter. Upon preparing COLA
18 payments, the DOA *shall* request from the Government of Guam Retirement Fund,
19 the funds required to prepare COLA payments and *shall* be paid out from the bank
20 account set forth in Section 3(c) of this Chapter.

21 (b) The disbursement provisions for the appropriation in Section 2(b) are
22 principal or interest from principal owed to claimants set forth in Title 5, Guam
23 Code Annotated, Chapter 6, Article 4, §6404(d)(1) starting with the claimant with
24 the lowest initial award from the class settlement, followed by the next lowest
25 initial award from the class settlement, followed by the next lowest initial award
26 and repeating this disbursement methodology until all the funds appropriated in
27 Section 2(b) of this Chapter are exhausted.

1 (c) The funds requested and received by the DOA in accordance with
2 Section 3(a) *shall* be deposited into a bank account, separate and apart from the
3 General Fund, and *shall* only be withdrawn or expended for the payment of
4 principal and interest that is owed to qualified retirees pursuant to Rios v.
5 Camacho, Superior Court No. SP0206-93. Any funds transferred to the bank
6 account set forth in this Section, *shall not* be subject to the transfer authority of *I*
7 *Maga`lahen Guåhan*.

8 **Section 4. Reporting.** The DOA *shall* submit a written report regarding
9 the reimbursed funds from the Guam Waterworks Authority as indicated in Section
10 2(a) and (b) as follows:

11 (a) A detailed, written report of the actual expenditure of the
12 appropriation and the total amount deposited into the Income Tax Refund Efficient
13 Payment Trust Fund as outlined in Section 2(a) of this Act shall be reported to *I*
14 *Liheslaturan Guåhan* no later than September 30, 2011.

15 (b) A detailed written report of the total amount requested from the
16 Government of Guam Retirement Fund, the total amount received from the
17 Government of Guam Retirement Fund, the total amount disbursed and paid to for
18 the purposes set forth in Section 2(b), and a reconciliation and explanation if there
19 is/are any differences between such totals to *I Liheslaturan Guåhan* within forty-
20 five (45) days after being reimbursed by the Guam Waterworks Authority.

21 *No* portion of this appropriation *shall* be used for purposes other than that
22 which are specifically authorized in Section 2 of this Chapter.

23 **Section 5. Severability.** If any provisions of this Law or the application thereof to
24 any person or circumstance is held invalid, such invalidity *shall* not affect any
25 other provision or application of this Law which can be given effect without the

- 1 invalid provision or application, and to this end the provisions of this Law are
- 2 severable.

APPENDIX I

Health Insurance Bailout Agreement of FY 2011

Appendix 1-A explicitly calculates and identifies the de-appropriation from Object Class 113 of the specific agencies, departments, and any other instrumentality of the government of Guam and the specific section in Public Law 30-196 as amended by Public Law 30-224 and the re-appropriation into the Health Benefit Fund to pay for health insurance premiums for government of Guam employees and retirees. The amount of \$6,837,736 represents the 'savings' as identified in Section 3 of Chapter XIII of Public Law 30-196.

FUNDING SOURCE AND AGENCY/DEPARTMENT	SECTION OF P.L. 30-196 AS AMENDED BY P.L. 30-224	AS400 ACCOUNT NUMBER	CALCULATION OF HEALTH INSURANCE BAILOUT AGREEMENT OF FY 2011 "SAVINGS"								CALCULATED "SAVINGS"	
			FY 2011 SALARIES AND BENEFITS APPROPRIATION			PER PAY PERIOD APPROPRIATION		PER PAY PERIOD (PPP) CAAI		PPP CAAI SAVINGS		PPP CAAI SAVINGS PERIODS
			111	113	SUBTOTAL	111	113	27.46%	21.44%			
GENERAL FUND		100A11										
OFFICE OF THE GOVERNOR	Chapter V, Section 2(a) & Chapter V, Section 2(v)	02	2,841,083	1,060,654	3,901,737	109,272	40,794	30,006	23,428	6,578	59,204	
GUAM STATE CLEARINGHOUSE	Chapter V, Section 2(a)	03	660,318	180,772	841,090	25,397	6,953	6,974	5,445	1,529	13,760	
BUREAU OF BUDGET & MANAGEMENT RESEARCH	Chapter V, Section 2(c)	04	210,762	31,221	241,983	8,106	1,201	2,226	1,738	488	4,392	
CIVIL SERVICE COMMISSION	Chapter V, Section 2(d)	05	505,205	148,685	653,890	19,431	5,719	5,336	4,166	1,170	10,528	
DEPARTMENT OF ADMINISTRATION	Chapter V, Section 2(e)	06	4,425,740	1,451,336	5,877,076	170,221	55,821	46,743	36,495	10,247	92,226	
GUAM ELECTION COMMISSION	Chapter V, Section 2(f)	07	189,715	78,008	267,723	7,297	3,000	2,004	1,564	439	3,953	
DEPARTMENT OF REVENUE & TAXATION	Chapter V, Section 2(g)	08	6,129,043	2,079,604	8,208,647	235,732	79,985	64,732	50,541	14,191	127,720	
BUREAU OF STATISTICS AND PLANS	Chapter V, Section 2(h)	09	850,340	276,372	1,126,712	32,705	10,630	8,981	7,012	1,969	17,720	
DEPARTMENT OF PUBLIC WORKS	Chapter V, Section 2(i)	10	5,753,100	1,946,010	7,699,110	221,273	74,847	60,762	47,441	13,321	119,886	
DEPARTMENT OF LAW	Chapter VII, PART I, Section 2	11	5,614,795	1,837,091	7,451,886	215,954	70,657	59,301	46,300	13,000	117,004	
GUAM POLICE DEPARTMENT	Chapter V, Section 2(l)	12	17,506,543	5,300,004	22,806,547	673,329	203,846	184,896	144,362	40,534	364,809	
DEPARTMENT OF CORRECTIONS	Chapter V, Section 2(m)	13	10,200,075	2,970,917	13,170,992	392,311	114,266	107,728	84,111	23,617	212,554	
DEPARTMENT OF AGRICULTURE	Chapter V, Section 2(n)	16	1,955,258	634,346	2,589,604	75,202	24,398	20,651	16,123	4,527	40,745	
DEPARTMENT OF PUBLIC HEALTH & SOCIAL SERVICES	Chapter III, Part II, Section 2	17	1,654,100	485,605	2,139,705	63,619	18,677	17,470	13,640	3,830	34,469	
GUAM PUBLIC LIBRARY	Chapter V, Section 2(o)	18	794,629	242,515	1,037,144	30,563	9,328	8,393	6,553	1,840	16,559	
DEPARTMENT OF YOUTH AFFAIRS	Chapter V, Section 2(p)	20	2,587,873	887,361	3,475,234	99,534	34,129	27,332	21,340	5,992	53,927	
DEPARTMENT OF MENTAL HEALTH & SUBSTANCE	Chapter III, Part III, Section 2	23	3,180,625	1,005,470	4,186,095	122,332	38,672	33,592	26,228	7,364	66,279	
DEPARTMENT OF LABOR / AHRD	Chapter V, Section 2(q)	24	237,312	53,043	290,355	9,127	2,040	2,506	1,957	549	4,945	
DEPARTMENT OF PARKS AND RECREATION	Chapter V, Section 2(s)	25	2,125,768	723,627	2,849,395	81,760	27,832	22,451	17,529	4,922	44,298	
DEPARTMENT OF INTEGRATED SERVICES FOR INDIVIDUALS	Chapter III, Part IV, Section 2	26	292,726	99,856	392,582	11,259	3,841	3,092	2,414	678	6,100	
MAYOR'S COUNCIL	Chapter VIII, Section 1	28	4,774,796	1,633,582	6,408,378	183,646	62,830	50,429	39,374	11,055	99,499	
CHIEF MEDICAL EXAMINER	Chapter V, Section 2(u)	30	258,771	83,236	342,007	9,953	3,201	2,733	2,134	599	5,392	
DEPARTMENT OF CHAMORRO AFFAIRS	Chapter V, Section 2(x)	36	571,435	190,250	761,685	21,978	7,317	6,035	4,712	1,323	11,908	
DEPARTMENT OF MILITARY AFFAIRS	Chapter V, Section 2(y)	37	100,235	15,270	115,505	3,855	587	1,059	827	232	2,089	
GUAM FIRE DEPARTMENT	Chapter V, Section 2(aa)	42	16,778,898	4,432,363	21,211,261	645,342	170,476	177,211	138,361	38,850	349,646	
EDUCATION SURUHANU	Chapter II, Part II, Section 1	49	109,172	35,821	144,993	4,199	1,378	1,153	900	253	2,275	
PBS GUAM	Chapter V, Section 2(cc)	63	377,704	133,889	511,593	14,527	5,150	3,989	3,115	875	7,871	
GUAM COMMISSION FOR EDUCATOR CERTIFICATION (GCEC)	Chapter II, Part III, Section 1	76	143,136	47,101	190,237	5,505	1,812	1,512	1,180	331	2,983	
OFFICE OF PUBLIC ACCOUNTABILITY	Chapter IX, PART I, Section 2	99	739,113	252,957	992,070	28,427	9,729	7,806	6,095	1,711	15,402	

APPENDIX I

Health Insurance Bailout Agreement of FY 2011

Appendix I-A explicitly calculates and identifies the de-appropriation from Object Class 113 of the specific agencies, departments, and any other instrumentality of the government of Guam and the specific section in Public Law 30-196 as amended by Public Law 30-224 and the re-appropriation into the Health Benefit Fund to pay for health insurance premiums for government of Guam employees and retirees. The amount of \$6,837,736 represents the 'savings' as identified in Section 3 of Chapter XIII of Public Law 30-196.

FUNDING SOURCE AND AGENCY/DEPARTMENT	SECTION OF P.L. 30-196 AS AMENDED BY P.L. 30-224	AS400 ACCOUNT NUMBER	CALCULATION OF HEALTH INSURANCE BAILOUT AGREEMENT OF FY 2011 "SAVINGS"								CALCULATED "SAVINGS"	
			FY 2011 SALARIES AND BENEFITS APPROPRIATION			PER PAY PERIOD APPROPRIATION		PER PAY PERIOD (PPP) AAL		PPP) AAL SAVINGS	PPP) AAL SAVINGS / PAY PERIODS	
			OBJECT CLASS 113	SUBTOTAL	113	113	27.46%	21.44%				
TERRITORIAL HIGHWAY FUND		208A11										
DEPARTMENT OF PUBLIC WORKS	Chapter V, Section 2(i)	10	4,751,396	1,555,312	6,306,708	182,746	59,820	50,182	39,181	11,001	99,012	
GUAM REGIONAL TRANSIT AUTHORITY	Chapter V, Section 2(dd)	99	245,253	82,659	327,912	9,433	3,179	2,590	2,022	568	5,111	
CUSTOMS, AGRICULTURE AND QUARANTINE INSPECTION FUND		209A11										
CUSTOMS AND QUARANTINE AGENCY	Chapter V, Section 2(w)	32	5,837,235	1,804,776	7,642,011	224,509	69,414	61,650	48,135	13,515	121,639	
GUAM CONTRACTORS		213A11										
DEPARTMENT OF PUBLIC WORKS	Chapter V, Section 2(i)	10	349,305	126,097	475,402	13,435	4,850	3,689	2,880	809	7,279	
P.E.A.L.S. FUND		215A11										
DEPARTMENT OF PUBLIC WORKS	Chapter V, Section 2(i)	10	75,313	23,910	99,223	2,897	920	795	621	174	1,569	
LAND SURVEY REVOLVING FUND		222A11										
DEPARTMENT OF ADMINISTRATION	Chapter V, Section 2(e)	06	57,748	17,079	74,827	2,221	657	610	476	134	1,203	
DEPARTMENT OF LAND MANAGEMENT	Chapter V, Section 2(f)	29	1,729,020	594,612	2,323,632	66,501	22,870	18,261	14,258	4,003	36,030	
L.O. HIGHWAY BOND 2001A-CPF		224A11										
DEPARTMENT OF PUBLIC WORKS	Chapter V, Section 2(i)	10	553	28,021	28,574	21	1,078	6	5	1	12	
FIRE LIFE MEDIC EMERGENCY FUND		231A11										
GUAM FIRE DEPARTMENT	Chapter V, Section 2(aa)	42	462,000	138,000	600,000	17,769	5,308	4,879	3,810	1,070	9,627	
MANPOWER DEVELOPMENT FUND		232A11										
DEPARTMENT OF LABOR / AHRD	Chapter V, Section 2(r)	24	664,629	216,341	880,970	25,563	8,321	7,020	5,481	1,539	13,850	
DPW BUILDING & DESIGN FUND		235A11										
DEPARTMENT OF PUBLIC WORKS	Chapter V, Section 2(i)	10	299,488	88,777	388,265	11,519	3,415	3,163	2,470	693	6,241	
GUAM ENVIRONMENTAL FUND		245A11										
GUAM ENVIRONMENTAL PROTECTION AGENCY	Chapter V, Section 2(q)	22	93,128	33,321	126,449	3,582	1,282	984	768	216	1,941	
AIR POLLUTION CONTROL		265A11										
GUAM ENVIRONMENTAL PROTECTION AGENCY	Chapter V, Section 2(q)	22	139,129	48,830	187,959	5,351	1,878	1,469	1,147	322	2,899	
ENHANCED 911 EMERGENCY REPORT SYSTEM		281A11										
GUAM FIRE DEPARTMENT	Chapter V, Section 2(aa)	42	788,915	241,823	1,030,738	30,343	9,301	8,332	6,506	1,827	16,440	
WATER PROTECTION FUND		283A11										
GUAM ENVIRONMENTAL PROTECTION AGENCY	Chapter V, Section 2(q)	22	20,946	8,607	29,553	806	331	221	173	48	436	
WATER RESEARCH AND DEVELOPMENT		3A11										
GUAM ENVIRONMENTAL PROTECTION AGENCY	Chapter V, Section 2(q)	22	28,855	8,797	37,652	1,110	338	305	238	67	601	
INCOME TAX REF EFFICIENT PAYMENT TRUST FUND		321A11										
DEPARTMENT OF REVENUE & TAXATION	Chapter V, Section 2(g)	08	2,260,295	968,698	3,228,993	86,934	37,258	23,872	18,639	5,233	47,101	
CUSTOMS, AGRICULTURE AND QUARANTINE INSPECTION FUND		329A11										
DEPARTMENT OF ADMINISTRATION	Chapter V, Section 2(e)	06	171,731	71,073	242,804	6,605	2,734	1,814	1,416	398	3,579	
SOLID WASTE OPERATIONS FUND		416A11										
DEPARTMENT OF PUBLIC WORKS	Chapter V, Section 2(i)	10	1,403,213	496,767	1,899,980	53,970	19,106	14,820	11,571	3,249	29,241	
GUAM ENVIRONMENTAL PROTECTION AGENCY	Chapter V, Section 2(q)	22	57,180	14,206	71,386	2,199	546	604	472	132	1,192	
ENVIRONMENTAL HEALTH FUND		6A11										
DEPARTMENT OF PUBLIC HEALTH & SOCIAL SERVICES	Chapter III, Part II, Section 2	17	368,332	130,627	498,959	14,167	5,024	3,890	3,037	853	7,675	

APPENDIX I

Health Insurance Bailout Agreement of FY 2011

Appendix I-A explicitly calculates and identifies the de-appropriation from Object Class 113 of the specific agencies, departments, and any other instrumentality of the government of Guam and the specific section in Public Law 30-196 as amended by Public Law 30-224 and the re-appropriation into the Health Benefit Fund to pay for health insurance premiums for government of Guam employees and retirees. The amount of \$6,837,736 represents the 'savings' as identified in Section 3 of Chapter XIII of Public Law 30-196.

FUNDING SOURCE AND AGENCY/DEPARTMENT	SECTION OF P.L. 30-196 AS AMENDED BY P.L. 30-224	AS400 ACCOUNT NUMBER	CALCULATION OF HEALTH INSURANCE BAILOUT AGREEMENT OF FY 2011 "SAVINGS"								CALCULATED "SAVINGS"
			FY 2011 SALARIES AND BENEFITS APPROPRIATION			PER PAY PERIOD APPROPRIATION		PER PAY PERIOD (PPP) CAL.		PPP CAL. SAVINGS	
			OBJECT CLASS 111	OBJECT CLASS 113	SUBTOTAL	111	113	27.46%	21.44%	PPP CAL. SAVINGS 9 PAY PERIODS	
HEALTHY FUTURES FUND		602A11									
DEPARTMENT OF PUBLIC HEALTH & SOCIAL SERVICES	Chapter III, Part II, Section 2	17	3,894,219	1,264,147	5,158,366	149,778	48,621	41,129	32,112	9,017	81,150
DEPARTMENT OF YOUTH AFFAIRS	Chapter V, Section 2(p)	20	105,818	38,185	144,003	4,070	1,469	1,118	873	245	2,205
DEPARTMENT OF MENTAL HEALTH & SUBSTANCE	Chapter III, Part III, Section 2	23	2,195,160	670,304	2,865,464	84,429	25,781	23,184	18,102	5,083	45,744
GUAM DEPARTMENT OF EDUCATION	Chapter II, Part I, Section 2	99	230,520	16,779	247,299	8,866	645	2,435	1,901	534	4,804
TAX COLLECTION ENHANCEMENT FUND		603A11									
DEPARTMENT OF REVENUE & TAXATION	Chapter V, Section 2(g)	08	504,875	137,737	642,612	19,418	5,298	5,332	4,163	1,169	10,521
GPSS OPERATIONS FUND		618A11									
GUAM DEPARTMENT OF EDUCATION	Chapter II, Part I, Section 2	99	106,831,658	35,595,594	142,427,252	4,108,910	1,369,061	1,128,307	880,950	247,356	2,226,207
PUBLIC RECREATION SERVICES FUND		620A11									
DEPARTMENT OF PARKS AND RECREATION	Chapter V, Section 2(s)	25	154,000	46,000	200,000	5,923	1,769	1,626	1,270	357	3,209
CHAMORRO LAND TRUST OPERATIONS		624A11									
DEPARTMENT OF ADMINISTRATION	Chapter V, Section 2(e)	06	34,379	9,939	44,318	1,322	382	363	283	80	716
CHAMORRO LAND TRUST COMMISSION	Chapter V, Section 2(bb)	99	424,965	160,190	585,155	16,345	6,161	4,488	3,504	984	8,856
INDIRECT COST FUND		632A11									
GUAM STATE CLEARINGHOUSE	Chapter V, Section 2(a)	03	239,673	79,930	319,603	9,218	3,074	2,531	1,976	555	4,994
BUREAU OF BUDGET & MANAGEMENT RESEARCH	Chapter V, Section 2(c)	04	825,016	259,435	1,084,451	31,731	9,978	8,713	6,803	1,910	17,192
DEPARTMENT OF ADMINISTRATION	Chapter V, Section 2(e)	06	694,355	239,941	934,296	26,706	9,229	7,333	5,726	1,608	14,469
		SUBTOTAL	227,506,571	73,533,480	301,040,051	8,750,253	2,828,211	2,402,819	1,876,054	526,765	4,740,887
GENERAL AND SPECIAL FUNDS											
ANCESTRAL LANDS COMMISSION	Chapter V, Section 2(b)		128,399	43,136	171,535	4,938	1,659	1,356	1,059	297	2,676
CONTRACTORS LICENSING BOARD	Chapter V, Section 2(j)		342,835	126,097	468,932	13,186	4,850	3,621	2,827	794	7,144
PEALS BOARD	Chapter V, Section 2(k)		72,862	23,910	96,772	2,802	920	770	601	169	1,518
UNIVERSITY OF GUAM	Chapter II, Part IV, Section 2(a)		\$22,754,962	\$7,442,837	30,197,799	875,191	286,263	240,327	187,641	52,686	474,178 ¹
GUAM COMMUNITY COLLEGE	Chapter II, Part V, Section 2(a)		\$8,395,455	\$2,819,913	11,215,369	322,902	108,458	88,669	69,230	19,439	174,948 ¹
UNIFIED JUDICIARY	Chapter IV, Section 1		\$15,053,002	\$4,996,998	20,050,000	578,962	192,192	158,983	124,129	34,853	313,681 ¹
GUAM LEGISLATURE	Chapter VI, Section 1 & Chapter VI, Section 2		\$2,310,172	\$634,373	2,944,546	88,853	24,399	24,399	19,050	5,349	48,140 ²
PUBLIC DEFENDER SERVICE CORPORATION	Chapter VII, PART II, Section 1		\$2,322,754	\$719,458	3,042,212	89,337	27,671	24,532	19,154	5,378	48,403 ¹
GUAM MEMORIAL HOSPITAL AUTHORITY	Chapter III, PART I		\$49,243,567	\$15,580,656	64,824,223	1,893,983	599,256	520,088	406,070	114,018	1,026,160 ¹
		SUBTOTAL	100,624,009	32,387,379	133,011,388	3,870,154	1,245,668	1,062,744	829,761	232,983	2,096,850
		GRAND TOTAL	328,130,580	105,920,859	434,051,439	12,620,407	4,073,879	3,465,564	2,705,815	759,748	6,837,736

¹ Estimated based on FY 2011 budget requests submitted by Branches/Agencies by Object Class 111 & 113

² Estimated based on Government of Guam Retirement Fund Estimate
 100% Federal Grants not included for FY 2011
 100% Federal Continuing Grants not included

APPENDIX II

Cost Containment Measures Prospective Savings

Source: Bureau of Budget Management & Research

Department	Reg Salary	OT/SPay	Benefits	Travel	Contractual	Rental	Supplies	Equip	Misc	Power	Water	Telephone	CapOutlay	Total Funds	Breakdown By Funds		
	111	112	113	220	230	233	240	250	290	361	362	363	450		General Fund	Special Fund	
1 Administration														\$0	1/	\$0	
2 Agriculture														\$0	2/	\$0	
3 Ancestral Lands Commission	\$5,347					\$13,056								\$18,403		\$18,403	
4 BMR				\$8,853										\$8,853		\$8,853	
5 Bu of Stats & Plans												\$2,048		\$2,048		\$2,048	
6 Chamorro Affairs										\$34,825				\$34,825		\$34,825	
7 Chamorro Land Trust	\$16,093		\$4,652	\$3,600	\$46,000									\$70,345		\$70,345	
8 Chief Medical Examiner	\$480		\$140		\$3,000		\$3,219	\$4,285	\$35					\$11,159		\$11,159	
9 Civil Service Commission	\$54,205		\$27,527											\$81,733		\$81,733	
10 Comm. On Decolonization														\$0		\$0	
11 Contractors License Board	\$21,389			\$8,000										\$29,389		\$0	
12 Corrections	\$0				\$293,000									\$293,000		\$29,389	
13 Customs & Quarantine	\$60,850		\$19,927						\$2,450					\$83,227		\$0	
14 DISID					\$8,000	\$43,867	\$4,000					\$4,003		\$59,870		\$59,870	
15 Education														\$0		\$0	
16 GCAHA														\$0		\$0	
17 GCC														\$0		\$0	
18 GHURA	\$71,113		\$28,445	\$8,000	\$4,479		\$2,785	\$3,500		\$1,000				\$119,322		\$119,322	
19 GDDC														\$0		\$0	
20 GEPA														\$0		\$0	
21 GMHA	\$116,948												\$165,000	\$281,948		\$281,948	
22 Guam Board of Accountancy														\$0		\$0	
23 Guam Certification Office														\$0		\$0	
24 Guam Election Commission														\$0		\$0	
25 Guam Fire	\$77,077	\$12,995	\$26,792				\$15,000			\$10,000		\$3,600		\$145,464		\$145,464	
26 Guam Police					\$10,000									\$10,000	5/	\$10,000	
27 Guam Regional Transit Auth					\$1,996,140									\$1,996,140		\$1,996,140	
28 Gsclearinghouse - See Gov's Ofc.														\$0		\$0	
29 Guam Visitors Bureau														\$0		\$0	
30 Labor/AHRD	\$43,356		\$6,374											\$49,730		\$49,730	
31 Land Management					\$16,495	\$137,808								\$154,303		\$0	
32 Library														\$0		\$0	
33 Mayors Council														\$0		\$0	
34 MHSA	\$116,948												\$165,000	\$281,948		\$281,948	
35 Military Affairs	\$67,159									\$144,819	\$2,000	\$1,000		\$214,978		\$214,978	
36 Ofc of the Educ Suruhanu					\$3,000	\$14,000	\$4,500					\$2,000		\$23,500		\$23,500	
37 Office of Attorney General														\$0		\$0	
38 Office of Public Accountability	\$51,986		\$19,184		\$10,830		\$3,000							\$85,000		\$85,000	
39 Office of the Governor										\$90,000				\$90,000	9/	\$90,000	
40 Parks & Recreation	\$39,855		\$19,074		\$10,095					\$23,776	\$37,056	\$5,292		\$135,149		\$135,149	
41 PBS Guam (KGTF)														\$0		\$0	
42 Port Authority of Guam														\$0	10/	\$0	
43 PEALS Board														\$0	11/	\$0	
44 PHSS														\$0	12/	\$0	
45 Public Works														\$0	13/	\$0	
46 Retirement Fund														\$0		\$0	
47 Revenue and Taxation	\$59,762		\$20,156		\$50,000		\$5,000							\$134,918		\$134,918	
48 UOG														\$0		\$0	
49 Veterans Affairs										\$960	\$480			\$0		\$0	
50 Youth Affairs							\$4,800							\$6,240		\$6,240	
TOTAL	\$802,568	\$12,995	\$172,272	\$28,453	\$2,451,040	\$208,731	\$42,304	\$7,785	\$2,485	\$305,380	\$39,536	\$17,943	\$330,000	\$4,421,491		\$3,872,624	\$548,867

APPENDIX III

Transfer Authority of Unexpended Appropriations Resulting from Cost Containment Savings

	From	To
Agency/ Department	Department #1	Department #2
Fiscal Year	FY 2010	FY 2011
Object Class	1XX	1XX
Amount of Transfer	\$1XX,XXX	\$1XX,XXX
Description	Description of Original Purpose: To provide funding to cover...	Description of New Purpose: To provide funding for

W/O ENROLLMENT

I MINA' TRENTAI UNU NA LIHESLATURAN GUÅHAN

2011 (FIRST) Regular Session

Date: 6/3/11

VOTING SHEET

5 Bill No. 184-31 (COR)

Resolution No. _____

Question: _____

NAME	<u>YEAS</u>	<u>NAYS</u>	NOT VOTING/ ABSTAINED	OUT DURING ROLL CALL	<u>ABSENT</u>
ADA, Thomas C.					EA
ADA, V. Anthony	✓				
BLAS, Frank F., Jr.	✓				
CRUZ, Benjamin J. F.	✓				
DUENAS, Christopher M.					EA
GUTHERTZ, Judith Paulette	✓				
MABINI, Sam	✓				
MUNA-BARNES, Tina Rose					EA
PALACIOS, Adolpho Borja, Sr.	✓				
PANGELINAN, vicente (ben) cabrera	✓				
RESPICIO, Rory J.	✓				
RODRIGUEZ, Dennis G., Jr.	✓				
SILVA TAIJERON, Mana	✓				
WON PAT, Judith T.	✓				
YAMASHITA, Aline A.	✓				

TOTAL

12 0 0 0 3

CERTIFIED TRUE AND CORRECT:


 Clerk of the Legislature

* 3 Passes = No vote
 EA = Excused Absence



I Mina'trentai Unu Na Liheslaturan Guåhan

Senator Vicente (ben) Cabrera Pangelinan (D)

JUN 03 2011

The Honorable Judith T. Won Pat, Ed.D.

Speaker

I Mina' Trentai Una Na Liheslaturan Guåhan

155 Hesler Place

Hagåtña, Guam 96910

VIA: The Honorable Rory J. Respicio

Chairperson, Committee on Rules

RE: Committee Report on Bill No. 184-31 (LS), As Substituted

Dear Speaker Won Pat:

Transmitted herewith is the Committee Report on Bill No. 184-31 (LS), as Substituted: An Act to Provide Supplemental Appropriation for the Operations of the Executive Branch of the Government of Guam for Fiscal Year Ending September 30, 2011; and for other purposes, sponsored by the Committee on Rules; Federal, Foreign & Micronesian Affairs; and Human & Natural Resources at the Request of *I Maga'lahren Guahan*, the Governor of Guam, in accordance with the Organic Act of Guam, which was referred to the Committee on Appropriations, Taxation, Public Debt, Banking, Insurance, Retirement, and Land.

Committee votes are as follows:

3 TO PASS

___ NOT TO PASS

2 TO REPORT OUT ONLY

___ TO ABSTAIN

___ TO PLACE IN INACTIVE FILE

Si Yu'os Ma'åse',

Vicente (ben) Cabrera Pangelinan

Chairman

324 W. Soledad Ave. Suite 100, Hagåtña, Guam 96910

Tel: (671) 473-(4BEN) 4236 - Fax: (671) 473-4238 - Email: senbenp@guam.net

Website: <http://senbenp.com>

Chairman
Committee on Appropriations,
Taxation, Public Debt, Banking,
Insurance, Retirement, and
Land

Vice Chairman
Committee on Education

Member
Committee on Rules,
Federal, Foreign &
Micronesian Affairs and
Human & Natural
Resources

Member
Committee on
Municipal Affairs,
Tourism, Housing, and
Recreation

Member
Committee on the Guam
Military Buildup and
Homeland Security

Member
Committee on Health and
Human Services, Senior
Citizens, Economic
Development, and Election
Reform

2011 JUN -3 AM 11:44
EJP

**COMMITTEE REPORT
ON**

Bill No. 184-31 (COR), As Substituted

**An Act to Provide Supplemental Appropriation
for the Operations of the Executive Branch of the
Government of Guam for Fiscal Year Ending
September 30, 2011; and for other purposes.**

**Sponsored by the Committee on Rules; Federal,
Foreign & Micronesian Affairs; and Human &
Natural Resources at the Request of *I
Maga'lalen Guahan*, the Governor of Guam, in
accordance with the Organic Act of Guam, which
was referred to the Committee on
Appropriations, Taxation, Public Debt, Banking,
Insurance, Retirement, and Land.**



Office of

the People

I Mina'trentai Unu Na Liheslaturan Guåhan

Senator Vicente (ben) Cabrera Pangelinan (D)

MEMORANDUM

JUN 08 2011

To: **All Members**
Committee on Appropriations, Taxation, Public Debt, Banking,
Insurance, Retirement, and Land

From: Senator Vicente (ben) Cabrera Pangelinan
Committee Chairperson

Subject: Committee Report on Bill No. 184-31 (LS), As Substituted

Transmitted herewith for your consideration is the Committee Report on Bill No. 184, As Substituted: An Act to Provide Supplemental Appropriation for the Operations of the Executive Branch of the Government of Guam for Fiscal Year Ending September 30, 2011; and for other purposes, sponsored by the Committee on Rules; Federal, Foreign & Micronesian Affairs; and Human & Natural Resources at the Request of *I Maga'láhen Guahan*, the Governor of Guam, in accordance with the Organic Act of Guam, which was referred to the Committee on Appropriations, Taxation, Public Debt, Banking, Insurance, Retirement, and Land.

This report includes the following:

1. Committee Voting Sheet
2. Committee Report Narrative
3. Copy of Bill No. 184-31 (LS)
4. Copy of Bill No. 184-31 (LS), As Substituted
5. Public Hearing Sign-in Sheet
6. Written Testimonies
7. Fiscal Note
8. Copy of COR referral Bill No. 184-31 (COR)
9. Notices of Public Hearing
10. Copy of the Public Hearing Agenda
11. Miscellaneous Communication

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

Si Yu'os Ma'åse',

Vicente (ben) Cabrera Pangelinan
Chairman

Chairman
Committee on Appropriations,
Taxation, Public Debt, Banking,
Insurance, Retirement, and
Land

Vice Chairman
Committee on Education

Member
Committee on Rules,
Federal, Foreign &
Micronesian Affairs and
Human & Natural
Resources

Member
Committee on
Municipal Affairs,
Tourism, Housing, and
Recreation

Member
Committee on the Guam
Military Buildup and
Homeland Security

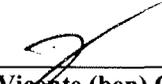
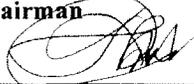
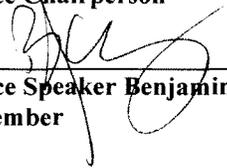
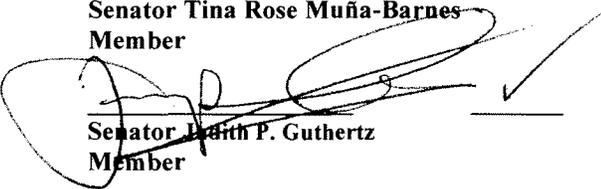
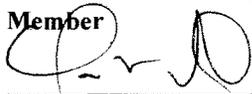
Member
Committee on Health and
Human Services, Senior
Citizens, Economic
Development, and Election
Reform

I MINA' TRENTAI UNU NA LIHESLATURAN GUÁHAN

Committee Voting Sheet

**Committee on Appropriations, Taxation, Banking, Public Debt, Insurance,
Retirement, and Land**

Bill No. 184-31 (LS), As Substituted, An Act to Provide Supplemental Appropriation for the Operations of the Executive Branch of the Government of Guam for Fiscal Year Ending September 30, 2011; and for other purposes, of Guam.

Committee Members	To Pass	Not To Pass	Report Out Only	Abstain	Inactive File
 Senator Vicente (ben) Cabrera Pangelinan Chairman	✓				
 Speaker Judith T. Won Pat, Ed.D Vice Chairperson	✓				
 Vice Speaker Benjamin J. F. Cruz Member			✓		
Senator Tina Rose Muña-Barnes Member					
 Senator Judith P. Guthertz Member	✓				
Senator Dennis Rodriguez, Jr. Member					
 Senator V. Anthony Ada Member			✓		
Senator Christopher M. Duenas Member					
Senator Mana Silva Taijeron Member					



Committee Report

Bill No. 184-31 (LS) An Act to Provide Supplemental Appropriation for the Operations of the Executive Branch of the Government of Guam for Fiscal Year Ending September 30, 2011; and for other purposes.

Chairman
Committee on Appropriations,
Taxation, Public Debt, Banking,
Insurance, Retirement, and
Land

Vice Chairman
Committee on Education

Member
Committee on Rules,
Federal, Foreign &
Micronesian Affairs and
Human & Natural
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Recreation

Member
Committee on the Guam
Military Buildup and
Homeland Security

Member
Committee on Health and
Human Services, Senior
Citizens, Economic
Development, and Election
Reform

I. OVERVIEW

The Committee on Appropriations, Taxation, Public Debt, Banking, Insurance, Retirement, and Land convened a public hearing on Thursday, May 19, 2011 at 9:00am in *I Liheslatura's* Public Hearing Room.

Public Notice Requirements

Notices were disseminated via hand-delivery and e-mail to all senators and all main media broadcasting outlets on May 12, 2011 (5-Day Notice), and again on May 17, 2011 (48 Hour Notice).

(a) Committee Members and Senators Present

Senator Vicente "ben" Cabrera Pangelinan, Chairman
Speaker Judith Won Pat, Vice Chair
Vice Speaker BJ Cruz, Member
Senator Tina Muna Barnes, Member
Senator Judith Guthertz, Member
Senator Dennis Rodriguez, Member
Senator Tony Ada, Member
Senator Aline Yamashita

(b) Appearing before the Committee

Mr. Joe T. San Agustin, Chairman, GovGuam Retirement Fund
Ms. Paula Blas, Director, GovGuam Retirement Fund
Ms. Benita Manglona, Director, Bureau of Budget Management & Research and as Acting Director, Department of Administration
Ms. Kathy Kakigi, Deputy Financial Manager, Department of Administration
Mr. John Camacho, Director, Department of Revenue & Taxation
Mr. Marie Benito, Deputy Director, Department of Revenue & Taxation
Mr. Steve Guerrero, Deputy Director, Bureau of Budget Management & Research

Mr. Karl Pangelinan, Acting Administrator, Guam Economic Development Authority

(c) Written Testimonies Submitted

Mr. Joe T. San Agustin, Chairman, GovGuam Retirement Fund
Ms. Benita Manglona, Director, Bureau of Budget Management & Research
Mr. John Camacho, Director, Department of Revenue & Taxation
Mr. Karl Pangelinan, Acting Administrator, Guam Economic Development Authority
Dr. Nerissa Bretania Underwood, Superintendent, Department of Education
Mr. Wilfred Aflague, Director, Department of Mental Health & Substance Abuse

II. COMMITTEE PROCEEDINGS

(a) Bill Sponsor Summary

Chairman Vicente Pangelinan: Thank you very much. Buenas and Si Yu'os Ma'ase'. (Translated from Chamorro to English) Today, we will listen to the public that is placed before the Committee on Appropriations, Taxation, Public Debt, Banking, Insurance, Retirement and Land. I want to thank my colleagues that are today, Speaker Judith Won Pat, Secretary of the Legislature, Senator Tina Muna Barnes, Senator Tony Ada, Senator Aline Yamashita, Vice Speaker BJ Cruz and Senator Judith Guthertz. Thank you to all of you here today.

To be heard today, Bill No. 184-31 (COR): An Act to provide supplemental appropriations for the operations of the Executive Branch of the Government of Guam for Fiscal Year ending September 30, 2011; and for other purposes.

I want to thank each and every one of you for coming today. I ask that you please sign up to provide testimony.

Let me just say that since the beginning of this term that the Office of Finance & Budget and the Committee on Appropriations has been rock solid in its position in identifying that there would need to be some sort of fiscal realignment or adjustments to the Fiscal Year 2011 budget for shortfalls that were created after the budget was passed. Since January of this year, this legislative body and its members were made aware of that fact and in addition to that was communicated to the Governor and his management team on more than one occasion in both written form and other exchanges as we have met throughout our official duties. We identified that shortfall at the very beginning to be in the neighborhood of \$36M, of which \$20M was created as a shortfall in the budget for 2011 by the signing of the Calvo's SelectCare health insurance contract after the budget was passed and after the budget was signed. The contractual amount entered by the Administration, albeit the previous Governor that obligated this government for health insurance premiums to cover its employees and retirees was approximately \$20M above the budgeted amount in the FY2011.

In addition, shortly after the beginning of the fiscal year the District Court of Guam through Judge Consuelo Marshal had issued an order in the amended Permanent Injunction with the

Department of Mental Health and Administration which required the government of Guam to make cash deposits to the District Court of Guam for use by the Federal Management Team to implement the planned approved by the District Court. The amount identified in the amended Permanent Injunction and the Court's Order as being required to be deposited in cash in a payment schedule outlined by the District Court beginning in October of this fiscal year amounted to approximately \$12.2M. So these two shortfalls created after the budget was passed was communicated to the Governor since day 1. Actually it was communicated to the Governor during the campaign and was requested once the body took office that the Governor begin planning on making some adjustments to the expenditure rate of this government or the revenue growth of this government to try and resolve this shortfall.

To our dismay, we did not receive any plan submitted by the Governor since January of this year of what to do with the shortfall that was created by these two main items. I want to say that in his fiscal year the general fund was supported in its operational support for the Guam Department of Education an additional \$20M in the federal jobs grant that would have been required to be supported by an appropriation from the general fund. That appropriation was deferred due the granting of a \$20M Jobs Fund, which went on to support the payroll cost of the Department of Education for this fiscal year. So, when we add back in the Educational Jobs Fund for FY2012 the additional expenditures in the bill represents a 9.5% increase or a \$70M increase in government expenditures in FY2010. So, while we all are talking about containing the cost of government and how we are going to streamline and be more efficient and reduce the cost of operating this government, we have before us today a request to increase government expenditures to the tune of \$36M in this fiscal year and next year, in a later bill to the tune of \$70M over FY2010. And most of these expenditures appear in the FY12 budget.

What we are talking about today and will concentrate on today is the request for this supplemental budget in Bill No. 184 and the administration's identification of revenues to support this additional expenditure over and above the approved expenditure in the budget and that is being made necessary – I don't think anybody doubts or questions the necessity of making some adjustments to this budget. Now, the adjustment could have been a reduction in expenditures to reduce the need for additional spending authority or adjustment in revenue and I think we have an adjustment in revenue that is being proposed and not an adjustment in expenditure that is being proposed by this Administration. So, we want to be clear on those issues on those matters.

We will just go through the bill basically Bill 184 in identifying the subject matters contained in each of the sections of the bill and then ask the individuals that have an interest and the officials that have an interest in that section of the bill.

I want to thank all of my colleagues present here this morning.

The first two sections basically are general sections; the findings and intent, introduced at the request of the *Maga'lahaen Guahan* so it is not a legislative intent but a findings and intent of the Governor and of course the short title, which is the Supplemental Appropriations Act of 2011.

The first substantive portion of the bill is Section 3, which identifies overpayment of interest to the Government of Guam Retirement Fund and the appropriation of the overpayment of interest in the amount of \$18.1M to support the operational requirements of the government of the balance of this fiscal year. At this time, I would like to request that the Department of BBMR present this Section and this appropriation. I would like to have the Chairman of the Retirement Board and the Executive Director of the GovGuam Retirement Fund to please come forward at this time.

Since the presentation this morning deals with matters of the financial information and the condition of the government of Guam to be presented by the witnesses this morning, I am going to ask that all of the individuals who are in the room who may be presenting testimony this morning on the matter of this budget bill would rise, as required by law, will need to swear you in; anyone that may be presenting information to the Committee.

[At this time, all individuals presenting testimony was sworn in by the Sergeant of Arms of the Guam Legislature]

(b) Testimonies

Ms. Manglona, we will proceed with your presentation on this section of the bill and then we will have the Retirement Fund present their testimony.

Ms. Benita Manglona: [inaudible]... with the overpayment from the General Fund to Retirement, I'd like to refer to the Public Auditor's report, on page 15, and I believe you received a copy.

Chairman Vicente Pangelinan: Is it attached to your testimony?

Ms. Benita Manglona: No, I didn't attach. But I wanted to reiterate here is that it started back in 1990-2003 for GMH owing about \$16M, DOE owing about \$17M for a total of \$34M inclusive of principal, interest and penalties as reported in the Public Auditor's report.

[Chairman Pangelinan asked staff to make a copy of that section of the report]

Actually what happened back then, if everybody will recall, there was a public outcry for the employees of these two agencies to retire and could not because the Retirement Fun was owed millions of dollars. Public Law 20-38 was passed. Senator, if I may be allowed, I have a testimony here that I'd like to present before I do this section, if I may.

Chairman Vicente Pangelinan: Well, I wanted to present this section because the Speaker (Chairman of the GovGuam Retirement Fund) and Ms. Blas have another meeting. Since this is really the first substantive section of the bill, why don't you read your testimony that relates to this section and then we will give them a chance to present and still have time to proceed to their meeting.

Ms. Benita Manglona: Ok. If I may be allowed later after we are done with this section, I'd like to present the rest of the testimony because there is important information that I would like to present.

Going back to the Retirement Fund funding source that we have identified in the supplemental budget. As I said Public Law 20-38 was passed requiring interest only payments to the Retirement Fund for lost opportunity income as it was termed as a result of not remitting those retirement fund payments, the Retirement Fund was not incurring interest on it so that was the premise of why this bill was passed. As a result of that interest only payment \$24.2M was paid to the Retirement Fund. There was no adjustment of interest after it was paid and then Public Law 30-196 was passed – this body recognizing the \$383,000 monthly payment made to the Retirement Fund was substantial and the payment was reduced to \$55,000.

I would also like to point out that when Public Law 30-07 was passed for the 2009 bond proceeds it was to pay \$21M to the Retirement Fund for the interest for the money that was owed and as a result of that as what Public Auditor has termed it, it was a double jeopardy payment because payment was made on interest on interest and she went about and computed what it would have been had the principal been applied correctly and the interest payments. She did three different scenarios and she came out to the tune of about \$15M-\$18M and the Administration's position is we are not asking the Retirement Fund to take that money back, we are just asking them to keep it in the Retirement Fund. It's money that was overpaid. Just like as I indicated before, if you have a GPA bill that you are going to pay, and instead of paying \$100 you paid \$125. You expect to get credit for the \$25 that you overpaid. We are just simply asking the Retirement Fund to recognize the overpayment that the General Fund made to the Retirement Fund and they should realize that this money was overpaid and it was also indicated in the footnote in the Auditor's report alluding to that fact of this overpayment from the General Fund. We are just simply asking this body to recognize this funding source and use this for future payments of the government of Guam retirees and to retire the outstanding debt of GMHA.

Chairman Vicente Pangelinan: Is that it on this matter?

Ms. Benita Manglona: I need my report back [was being copied]

Chairman Vicente Pangelinan: To your knowledge did the Governor or yourself sit down with the Retirement Fund to discuss this proposal prior to putting it in the bill?

Ms. Benita Manglona: No, we did not sit down with the Retirement Fund.

Chairman Vicente Pangelinan: There was no discussion at all?

Ms. Benita Manglona: Senator, when...

Chairman Vicente Pangelinan: The question was did...

Ms. Benita Manglona: No, we did not sit down with them. We are here because you are the authorizing body to tell the Retirement Fund that this money that was overpaid to them and that the General Fund should receive credit for it – for the overpayment...

Chairman Vicente Pangelinan: But the Governor did not discuss this with the Retirement Fund.

Ms. Benita Manglona: I cannot answer for him. But I wanted...

Chairman Vicente Pangelinan: We'll ask them if they did. I guess it's pretty clear I am not the only one the Governor is not talking to.

Ms. Benita Manglona: Maybe I'll arrange a breakfast or lunch meeting.

Chairman Vicente Pangelinan: Why don't we just answer the questions that I ask. That would suffice.

Ms. Benita Manglona: Senator, if I may point out when this body recognized that the General Fund was overpaying \$383,000, I don't know if they sat down with the Retirement Fund to tell them we are now only going to pay you \$55,000.

Chairman Vicente Pangelinan: We informed the Retirement Fund that we were going to make some changes in the structure.

Ms. Benita Manglona: So, my point is to that fact, even the Legislature recognized that the Retirement Fund is being overpaid and...

Chairman Vicente Pangelinan: I don't think you make that statement on behalf of the Legislature.

Ms. Benita Manglona: I'm sorry. I take that back.

Chairman Vicente Pangelinan. Ok. Good. Anything else on the subject matter?

Ms. Benita Manglona: I think that's it for now.

Chairman Vicente Pangelinan: Alright. We will now hear from the Retirement Fund. Mr. Speaker (Chairman of the GovGuam Retirement Fund, Mr. Joe T. San Agustin), thank you very much for your presence this morning.

Mr. Joe T. San Agustin: Mr. Speaker (Referring to Chairman Pangelinan), thank you very much for the opportunity to testify. With due respect to Ms. Manglona, recognizing there is a lot of history in this particular area and being new to the Administration, she is going to do a lot of perhaps, reflection on the history of this particular situation.

Mr. Joe T. San Agustin read his testimony verbatim (testimony is part of this Committee Report).

As part of Mr. Joe T. San Agustin's testimony, he inserted the following comments (not in his written testimony)

Breakdown of actual rate of return

In 1995 it was 20.10%

In 1996 it was 9.4%

In 1997 it was 21.48%

In 1998 it was 7.95%

In 1999 it was 6.60%

In 2000 it was 7.21%

This average rate of return that was established in Public Law was only 5%, which is less than the actual rate of return.

In Mr. Joe T. San Agustin's testimony, page 4 (first paragraph) he states, "The bottom line is the actual prior year returns from 1996 to 2010 for GMH and from 2004 to 200 for DOE, is approximately \$33million," he inserts: If you are going to go by actual rate of return, let's go back to '96, from the very date the delinquency. If you owe me since 1995 and you start paying me in 2005, do you think I am going to forgive you for delinquency with accrued rate of interest that you did not pay for the ten years' past? That's inconsiderable.

In further testimony on page 7 (second paragraph), Mr. Joe T. San Agustin's states, "As already stated, if Bill 184 is enacted, the Fund will decline to process retirement applications on a wide-scale basis", he inserts: That means it is not just GMH, we are talking about the entire government of Guam. No employee of the government of Guam can retire if this bill is enacted.

In Mr. Joe T. San Agustin's conclusion, page 7, he states, "The Retirement Fund also notes that in preparing her report, the OPA did not consult with the Fund", he inserts: Just recently, hearing just this morning that the Administration also did not consult the Retirement Fund to even dispute or even to say that the Retirement is indeed has an overpayment. I would think it would just be plain courtesy that would go and talk to Retirement Fund Board or the staff that according to the OPA you overpaid. I would think also its common courtesy for the OPA to do that. I would think also that within the last five years the OPA has audited the Retirement Fund books and not any of those audits in five years have indicated that there was an overpayment. Now, why now all of a sudden?

In his conclusion, page 7, Mr. Joe T. San Agustin states in his testimony, "Finally, the Fund is also concerned that among the financial repercussions of Bill 184 will be a halting of processing of all retirement applications and suspension of all retirement annuity benefits", he inserts: Think of it. 7,000 retirees will not receive their paycheck once this bill is enacted. We are obligated for those members of the Fund to go to court and declare this bill inorganic.

For the record, let me show that the rate of returns the OPA claims that they were overrated the past five years as stated in the bill, in 1995 the government is only paying a rate of return of 5%.

The actual rate of return of the Fund was 20.10%. What happened between the 5 and the 20? Who is going to pay for that? That's a loss.

In 1996, the Fund rate earned 9.40%. We're talking about 5% again.

In 1997, the Fund earned 21.48% - 5%, that is what the government pays.

In 1998, 7.95%.

In 1999, 6.60%.

In 2000, 7.21%.

In 2001, it's only .25%. But, in 2002, there's a loss of 1.04%.

But in 2003, we jumped to 9.90%.

In 2004, 9.30%.

In 2005, 10.10%.

In 2006, 8%.

In 2007, 10.20%.

In 2008, 14.8%.

In 2009, 7.5%. 2

In 2010, 12.30% - from the latest investment return we are going to make 15.3% by the year 2011.

Now, ladies and gentlemen and members of this Committee these are employees' fund. Government is not paying these employees contributions – a matching contribution has actually deprived the members of a just return of his money. The government is setting its rate of payment of its own money. In 1996, things started to be behind and now they start paying in 2005. They are asking the Fund because it's a compromise to forget 1996 to 2005. If that is the case, then we will have to re-compute since day one when they became deficient and up to date and that's why I say if that's the case, they owe us over \$33M and not overpayment of \$15M. That's because of the public law that we have a compromise (P.L.28-38).

Members of this Committee, I thank you for listening but, please these funds belong to the employees of the government of Guam. They enter into a contractual agreement with the government and themselves; as a condition of employment you must contribute to the Retirement Fund. The government also has to match the contribution. Also in that contribution there are 26% of the unfunded contribution, which his now about \$2B. If that 26% is not coming there is no way you can pay retirees Just take me for example; in my first years of government contribution, all my contributions have already paid out. I have unfunded contributions. My retirement payment will cease because that 26% is not coming to pay for that unfunded.... That's 7,000 members and survivor's annuity; most of them have already taken all their contributions. The unfunded have to continually be paid – 26% of total payroll. If you stop that or redirect that, you are going to have to go back to the corpus and the corpus doesn't belong to the retirees, it belongs to the future retirees. This is something that we have to hold in obligation.

We owe because of a contractual obligation and that's why I think the Constitution of the United States and the Organic Act protects that contractual obligation. We should be conscience of that particular trust and I must emphasize that the Retirement Fund Board of Trustees takes its responsibility as a fiduciary relationship. No other Board of the entire government has a fiduciary obligation – only the Retirement Fund Board has that. We could lose our own personal asset and the same thing we tried to do – we tried in 1996 because of the deficiency of GMH. We

had to go to court and the court allowed us to attach a liability on the trustees' personal account. That was a revelation when a trustee resigned and she wanted to dispose of her home to move to Hawaii and she found she could not dispose of her home because there was an attachment to it and that has to be cleared, provided GMH [inaudible] and (PL)28-38 was a result of that compromise to lift that cloudy attachment to the trustees. Now, it's just a matter of time before the court will start attaching to the current members of the trustees. We don't want to do that. We want to work with the Administration and work with the Legislature. It's very unfortunate that we have to go to this medium. We could have worked this out.

And as I said before, five years of audit by the OPA, not a mention of that audit report of the Retirement Fund that there had been an overpayment. That would have been the opportune time for that; 5 year, every year of their audit. It's very ironic and again, the Retirement Fund was completely out in the loop. The OPA did not give us the courtesy to discuss their findings, their methodology. Neither did the Administration have the courtesy to call. Thank you and members of the Legislature.

Chairman Vicente Pangelinan: Thank you and Si Yu'os Ma'ase Mr. San Agustin. Ms. Blas, did you have anything to add?

Ms. Paula Blas: No, it was covered.

Chairman Vicente Pangelinan: I am going to go ahead and having received the testimony of the Administration's representative and of course the Retirement Fund. Is there any one else who wishes to testify on this section of the bill? If not, I am going to allow questions – very briefly. Speaker Won Pat?

Speaker Judith Won Pat: Just one clarification: when Ms. Benita spoke earlier she said that the \$15M over payment was for future, but as Joe San Agustin said that it was not for past debt but to accept it for future payments. Those were your words so I am wondering whether that is...

Ms. Benita Manglona: Madam Speaker, our proposal is to use the overpayment to offset Retirement Fund contributions from the General Fund.

Speaker Judith Won Pat: So, it's not for past.

Ms. Benita Manglona: Part of it is for the GMHA, which is the \$7M that GMH owes the Retirement Fund. I am not sure the procedure here but can I make a comment?

Speaker Judith Won Pat: Yes, but I just wanted to be make sure that what I heard you say earlier to make sure what Mr. San Agustin is saying whether it is consistent with what you are saying or just...

Ms. Benita Manglona: Mr. San Agustin is essentially challenging the OPA's report and it's unfortunate that Doris is not here to defend herself and defend her credibility. I don't know what he's talking about but this overpayment was referenced in the Retirement Fund's audit report in

2009 and 2010 and when you go back to the Public Auditor's Report, she did three different scenarios in the loss opportunity income and came up with that \$15M-\$18M of overpayment and I am confident that the analysis of the OPA is accurate. The government goes to OPA for certifications of numbers or for audits and there is no reason why we should doubt her report.

Chairman Vicente Pangelinan: Mr. Vice Speaker?

Vice Speaker BJ Cruz: Thank you. Given the testimony and the fact that there hasn't been a discussion between Retirement Fund and Administration or with OPA and if we..... [speaker in background inaudible].... Ok, no discussion. If in fact Retirement Fund is correct and we remove Section 3 from this bill, is there any need for us to go any further or should be go back to the drawing board?

Chairman Vicente Pangelinan: I think that would be something the Administration's representative would respond to. Ms. Manglona?

Vice Speaker BJ Cruz: The question, Ms. Manglona, is if the Legislature accepts the testimony of Chairman San Agustin from the Retirement Fund and protects the interests of the retirees and future retirees and we decide to remove Section 3 (which is \$15M of the amount you want us to include in this supplemental as the cash)... should we dispense with the rest of this hearing and allow you to go back and find \$15M some place else before we take all the testimony from everybody else?

Ms. Benita Manglona: Senator, what essentially you are saying is that you don't believe the Public Auditor's report.

Vice Speaker BJ Cruz: I have a long history of not agreeing with reports from the Public Auditor. And her believing that she's an attorney or whatever in her decisions of what she decides she's going to move forward on. Yes, I have--between the Public Auditor and Joe T. [San Agustin]--I would take Joe T. [San Agustin] before I take the Public Auditor. I have major questions, but I have more major questions about the fact that the administration didn't have the decency to discuss with the Retirement Fund before you put it into a bill and sent it to us to publicly discuss here.

Ms. Benita Manglona: Well, Senator, that's your role--the role of this legislature to accept this proposal. We've presented our proposal, and it's your decision whether to accept the proposal that is before you.

Mr. Joe T. San Agustin: Can I interject? In [PL]28-38, I don't know if you recall... Governor Felix Camacho took pains to come before the Board (GGRF)--appear before the Board to work out the compromised [PL]28-38. Speaker Mark Forbes also and in cooperation with the legislature, we had several meetings at the Governor's Conference Room--as you recall--to work out that compromise. I would have hoped that that same scenario should have been repeated with this \$15M. Unfortunately, that didn't happen. I just wanted to mention that.

Vice Speaker BJ Cruz: And I was a member of that legislature, and I recall the Chairman of the Finance Committee at that time is now at Adelup.

Mr. Joe T. San Agustin: Yes, exactly! I just wanted to interject with that.

Chairman Vicente Pangelinan: Let me allow Senator Muña Barnes first.

Senator Tina Muña Barnes: My question to the Retirement Board, based on the presentation sent, was my guess is that the OPA didn't calculate the interest earned on the funds as they did their presentation coming to this office on this bill. My take is, as you talk about the 7000 retirees that will be affected by this, and as you talk about how the Fund will challenge this as you move forward, my take is--based on the commitment of [PL] 28-38, are the Hospital and DOE continuing to make payments?

I'm receiving constituent concerns that the payments are still not being turned in so I just want to ask that for the record.

Ms. Paula Blas: Contributions with regard to pay periods... GMH has just started to try to meet payroll--their gross payroll, but they're still behind about \$7.3M for this fiscal year contributions.

Chairman Vicente Pangelinan: Current year?

Ms. Paula Blas: Current.

Senator Tina Muña Barnes:Based on the agreement, because [PL] 28-38 is... we're in the 31st Guam Legislature now. We're talking about six years, right?

Ms. Paula Blas: Yes, they've been behind since 1996. The deficiency for them for prior years is close to \$7M, plus this will put them up to about \$14M. When the agreement was made among the legislature, the governor's office, and the Fund, this interest payments only was just one of the conditions to allow people to retire. These payments had to be made first. Any individual who wanted to retire, their contributions, outstanding contributions, plus any applicable interest and penalties under our Section 8137 were still applied and had to be paid and they had to maintain current contributions to the Fund.

Senator Tina Muña Barnes:Is there a list of employees who want to retire and can't retire?

Ms. Paula Blas: We're running a list of those who have placed their intent to retire, and there is close to about 27-30 people from GMH.

Mr. Joe T. San Agustin: If I might add, four of them are for disability. One of them has died, and we can't even pay the survivors. That's the sad part of this situation--it really hurts me to say that. We are compelled to do that. We talk about GMH employees through no fault of their own have been made to suffer; 20-30 people wanting to retire--four of them with disabilities with one of them who has died, and we can't pay. That, to me, is tragic.

Senator Tina Muña Barnes: If I may, I share the sentiments of the Vice Speaker. I think it's important that the Administration work together with the Retirement Fund to air out the concerns that we've heard today. Speaker [Mr.]San Agustin has noted concerns about how we, as a government, has not paid what is due to the people--what the people have put in based on the contracts. I think it's important that somebody go back to the drawing board and work closely with the Retirement Fund, because I do not want to see a challenge from the Retirement [Fund] to our government again--I think that's fatal--it's grave.

Chairman Joe T. San Agustin: Senator, I don't relish, because even myself--personally--I won't be able to get my retirement check by the end of the month if this goes through. I will not get my check along with the 7000 people. That's the situation -- retirees, survivors; 5-7000 of them. I'm only one of them--that's myself. My paycheck is not going to come on the 15th or the 30th.

Chairman Vicente Pangelinan: Senator Guthertz?

Senator Judith Guthertz: All of us are here to try to find ways to deal with these financial challenges; that's good. But in any plan, you have to have a Plan B so I'd like to ask Ms. Manglona and her team, understanding that this particular provision as sanctioned in this bill, will unlikely be accepted once the verifications are made--in the information has been shared, what is your Plan B if Section 3 is deleted from this bill? What would be your plan be?

Ms. Benita Manglona: We just wanted to address the overpayment.

Chairman Vicente Pangelinan: The OPA is a financial calculation... but it appears that you're accepting her financial calculation as a legal opinion as well that [PL]28-38 is illegal or should be restructured because it's not legal. Did the governor or anybody in the staff review the [PL]28-38, the agreement signed and agreed to between the Retirement Fund, the legislature, and the Executive Branch when [PL] 28-38 was passed? And did it give you an opinion that this is--legally--you can revoke that agreement?

Ms. Benita Manglona: I'm not really sure what--can you restate your question?

Chairman Vicente Pangelinan: Did you get a legal opinion on working out this arrangement that this was legal and in compliance with the legal obligations established by the Administration, the government of Guam, represented by the Administration, the legislature in the passage of [PL]28-38 and the agreement entered into with the Retirement Fund that you could restructure it in this way?

Ms. Benita Manglona: I'm not familiar with whether or not there was a legal opinion. I could look into it and get back to you. Like I said, I'm just referring to her report and relying on her report.

Chairman Vicente Pangelinan: She may have calculated things, but the agreement and the payment that's required is pursuant to a legal contract entered into or a Memorandum of

Understanding or some document that established the legal obligations of the parties. Is a calculation enough to say that legal obligation is enough to be restructured?

Ms. Benita Manglona: I don't know, but I want to refer back again to the audit report that there was a reference made of the overpayment made at the Retirement Fund in the Retirement Fund's audit report. Mr. San Agustin said that this is not referenced, but it is referenced in the audit report.

Ms. Paula Blas: I do have our fiscal year 2009 and 2010 audit reports, and under the MDNA it does highlight the interest-only payments that are paid to the Fund, but it doesn't indicate here that they're overpayments--it's in conjunction or in compliance with PL 28-38, and the Fund reports it as investment income.

Chairman Vicente Pangelinan: That clarifies that.

Senator Judith Guthertz: Mr. Chairman, I was going to suggest that--if this is going to be sort of a dispute, we need to have the Public Auditor and the Attorney General present to discuss that. That would delay our consideration of this bill. I would suggest that we move to other sections of this bill and interpret it later how you want to deal with Section 3.

Chairman Vicente Pangelinan: Even auditors, like attorneys, have differences of opinion. Even Doris does not say her opinion is always final. I think, sometimes, that when the Public Auditor finds that her opinions are challenged that even she refers it to a 3rd party for additional evaluation. I'm so glad you have full faith and confidence in the Public Auditor--enough to go up and challenge the laws of this government that it has obligated itself to based on the financial opinion and in this case the legal opinion of the Public Auditor. But even auditors have differences in opinion.

Mr. Joe T. San Agustin: Due credit to Doris Brooks, in her report, she says, "potential." Unfortunately, the Administration took it as gospel truth. She used the word, "potential," so therefore, there's even a doubt in her mind. In the report, itself, the administration took it as a gospel truth--the potential--potential is not fact. If we're going to use the methodology, which you suggested, I suggest we go back to 1996 and calculate it on the actual rate of return. Are they willing to pay 20% in 1995; are they willing to pay 2010 at 12.3%? Out of the overpayment--she calculates only a 5%, which is 2% less than the actual rate of return. There's a difference between 20% and 5%. My money is supposed to be making 20%, and you're only paying me 5%? Please... I'm not subsidizing here. Thank you.

Chairman Vicente Pangelinan: I'm going to ask Senator Aline (Yamashita) first, if she has any questions or comments.

Senator Aline Yamashita: Thank you, Speaker Ben; thank you, Vice Speaker Cruz. First, I thank you for all being here. The state of our finances and our island--the state of our livelihood is very serious. The state of our Retirement Fund is very serious, and I believe Senator Guthertz said it already that we're all here, because we really are concerned to find solutions to our issues. The data, the reports, anyone who's done statistical reports know that you can make numbers

look a certain way. My primary comment is that the inclusion of people while making decisions... I think we all have a responsibility in our roles to carry out certain responsibilities.

I have to agree with Vice Speaker Cruz in that I think we go back two steps and bring everyone to the table that we need to speak with. Madame Director, you said this yourself that the OPA is not here to speak for herself. I would agree that we need to go back a little bit, talk, discuss, and then--for me, as long as I know that everybody was at the table, you probably will not agree, that's okay. But as long as everyone was at the table, you can all say to us, "We've met, we still--this is what we think. We disagree." And then it's up to us as a body to decide how we're going to move forward.

Right now, I'm uncomfortable, because I know it didn't happen. Everyone has told me that it didn't happen. Thank you, Speaker Ben.

Chairman Vicente Pangelinan: You're welcome. How long has the OPA--is she on-island? She's gone?

Ms. Benita Manglona: No, she's at a conference. Actually, I was supposed to leave this morning too.

Chairman Vicente Pangelinan: But this is important.

Ms. Benita Manglona: This is more important. That's why I'm here.

Chairman Vicente Pangelinan: When would this legislative body need to make a decision on this?

Ms. Benita Manglona: Soon.

Chairman Vicente Pangelinan: Tomorrow is soon; so is Monday. Just a general time frame.

Ms. Benita Manglona: By the first week of June.

Chairman Vicente Pangelinan: The first week of June when the authorization levels would have run out. Have any of the payments you're making now run out of authorizations?

Ms. Benita Manglona: No.

Chairman Vicente Pangelinan: Are you positive? Staking your license on it?

Ms. Benita Manglona: I will bet my license on it.

Vice Speaker BJ Cruz: It would help us if the monthly report is out. I know today's the 19th. Is that monthly report out?

Ms. Benita Manglona: We're working on it, Senator. We were just too busy preparing for this hearing. It's on my desk and I haven't really looked at it, but we can give you the draft report.

Vice Speaker BJ Cruz: Because when I looked at the expenditures, I can tell when they're going to run out. Without the most current reading, I'm not buying much today.

Chairman Vicente Pangelinan: Senator Ada (Tony)?

Senator Tony Ada: The Retirement Fund... when this bill first came out, when did you know of 184?

Mr. Joe T. San Agustin: I read it in the paper just like you did--the PDN.

Senator Tony Ada: Did you guys call Adelup with your concerns about 184 before today?

Mr. Joe T. San Agustin: What for?

Senator Tony Ada: I was just asking, Mr. Speaker (Mr. San Agustin), because you know... if Adelup didn't call you, and you saw the bill in the newspaper, I mean, if I saw something that was of concern to me, I would have called and said, "Hey, wait a minute, can we sit down and talk, because I think you guys are tapping into something that is of concern to us."

Mr. Joe T. San Agustin: Maybe we can do that, but it works two ways too, you know. Also, we got a letter that it would have a public hearing.

Senator Tony Ada: That's why I was just asking if you made phone calls to Adelup; you expressed here that Adelup didn't make any phone calls to Retirement Fund.

Mr. Joe T. San Agustin: We have a member of our board who is the Deputy Director of [Department of] Administration, George Santos. There's no inclination coming from his side. There is no--as far as communication--if you want to look... I'm not trying to put George on the spot, but he's a member of the Board as well as part of the Administration. I would think that he would--I'm sure that if that were brought to his attention, he would say, "Why don't you guys talk to each other"? They've got a man who is in their office who is a member of the Retirement Board. It's just like talking to your clerk next door.

Senator Tony Ada: Okay, thank you.

Mr. Joe T. San Agustin: The opportunity is there.

Chairman Vicente Pangelinan: If there are no further questions from the...

Mr. Joe T. San Agustin: I just want to make sure that if push comes to shove, we're going to have to go with our actual rate of return and the methodologies paid in 2005 was at 5%, and the actual rate of return is 20.10%. If that goes to shove, then we'll have to apply the actual rate of return.... then I'm sure the court will say this is what you would have earned. Why is the

government willing to be able to say less return? It goes back to--remember our biggest problem was the supplemental budget when my friend/cousin, Senator Sanchez passed a bill to have the Retirement Fund pay a supplemental, and we only paid 1.2% over the next 20 years, and we're still paying for that. We're talking about the rate of return when my money could be making 20%, while I'm only making 5%. This is not taxpayers' money--this is employees' money. It's not our money.

Chairman Vicente Pangelinan: Just for the record, I do know that even though the payment was restructured under the public law, it still, at the end of the year, makes it your actual rate of return. You're not going to lose out.

Mr. Joe T.San Agustin: You're working it... there's a compromise with the Legislature that we work out that achieved... there's a goal--at least there's an end of the tunnel. But for something that has no end, you can't do it because people are retiring left-to-right.

Vice Speaker BJ Cruz: Mr. Chairman, (Mr. San Agustin) I want to point, in the calculation, is it compounded annually or daily? Because it would seem to me, that if one year you should have had investment opportunity of 20% then the corpus or the principle should be the initial principle plus the 20% that you would have earned with that following year, you apply the interest of that. I don't see that in this, because she's flat lining the same amount all the way down. The interest is the same every year for five years in a row and another for five years in a row. It would seem to me that if you had an investment opportunity lost that should have been included into the principle and the next year's interest multiplied against that.

Mr. Joe T.San Agustin: I agree with that, but that's another compromise we made, because we recognize the financial situation.

Vice Speaker BJ Cruz: I recognize that, but they got a very good deal in this compromise. But if there's any overpayment, we are losing a lot of money at the Retirement Fund.

Mr. Joe T.San Agustin: If we're going to use the actual rate of return, then the government actually owes over \$33 million dollars if you're going to calculate it back to 1996. If you're behind since 1996, and you started paying me in 2005, you think I'm going to forget about 1996-2005? It's accrued!

Vice Speaker BJ Cruz: That 33 that you're using doesn't include the investment interest lost included in to the calculation for the loss as subsequent year.

Mr Joe T.San Agustin: It does.

Chairman Vicente Pangelinan: Thank you very much, Mr. Speaker (Mr. San Agustin) and Ms. Blas. Once again, I just want to say for the record that in the current payment arrangement, it does require that--by the way, it also says that if we overpaid, you get to keep it so let's put that up front. Thank you very much, and Si Yu'os Ma'ãse' on Section 3. We'll go ahead and have the testimony presented. Before we continue with the presentation, Ms. Manglona, you mentioned pursuant to a question from the Speaker (Won Pat) and from Senator Guthertz that you would

get back to us as to what you would do without Section 3 of that revenue source from the Retirement Fund, and you said you would get back to us, when would you get back to us?

Ms. Benita Manglona: I would need to get back to you soon--I know that this is urgent. It will be addressed.

Chairman Vicente Pangelinan: Would that be by Monday, next week?

Ms. Benita Manglona: Yes.

Chairman Vicente Pangelinan: We'll go ahead and continue with your presentation.

Ms. Benita Manglona: I have my written testimony that I'd like to present right now.

In my role as the head of the government's lead agency on the accounting and the spending of the treasury, I'm here with the Governor's fiscal team to lead the discussions with you on the supplemental, which we have already discussed and the biennial budget proposals, I am here to express my favor of both.

(Ms. Manglona read her testimony verbatim. See attached written testimony.)

Chairman Vicente Pangelinan: Is there anyone else who'll be presenting testimony?

Mr. John Camacho: My name is John Camacho, and I am the Director of the Department of Revenue and Taxation. I'm sure our budget director has covered all axes, but I want to put something in in support of this bill and read my testimony.

(Mr. Camacho read his testimony verbatim. See attached written testimony.)

As we go through the bill, the portion of the Department of Revenue and Taxation, I'll be glad to answer questions about Section 30, the American Opportunity Credit, and the reimbursement.

Chairman Vicente Pangelinan: Anybody else?

Ms. Marie Benito: Hafa adai, Speaker, Mr. Chair, and members of the Committee. I would just like to provide oral testimony for this bill, and I support this bill for the supplemental budget. And I am also here as part of the fiscal team to answer what I can regarding your concerns on this bill.

Mr. Karl Pangelinan: Thank you, Madame Speaker, Mr. Chair, and Members of the Committee. My name is Karl Pangelinan. I am the Acting Administrator for GEDA. I am in support of this bill, and I submitted written testimony. I'll go ahead and read or paraphrase most of it, and I don't know if I'm jumping the gun if you were going to go section-by-section, but I'm going to speak specifically to Sections 21 and 22 regarding the funding sources.

(Mr. Pangelinan read his testimony verbatim. See attached written testimony.)

I'd like to thank you all for this opportunity to present testimony in support of this bill.

Chairman Vicente Pangelinan: I have a couple of questions. Ms. Manglona, you say that you've saved significant amounts of money, both since you implemented it in going forward, I assume. Can you quantify how much money you have saved? I think you said you have a spreadsheet that shows how much money you have actually saved and how much money you will save till the end of the fiscal year due to the cost containment measures you have implemented.

Ms. Benita Manglona: The potential savings...

Chairman Vicente Pangelinan: Potential?

Ms. Benita Manglona: Some of them we're realizing, some of the potential--

Chairman Vicente Pangelinan: How much have you realized?

Ms. Benita Manglona: I have reiterated--it's in my testimony... the Department of Land Management is one that we identified--

Chairman Vicente Pangelinan: Actual savings that will not be incurred. Anything else?

Ms. Benita Manglona: Actually, that's because they were underfunded in their budget so they negotiated with their landlord to consolidate their office space. And they forfeited their lease for their copier machine.

Chairman Vicente Pangelinan: So at about \$115,000?

Ms. Benita Manglona: Yes.

Chairman Vicente Pangelinan: What else?

Ms. Benita Manglona: The total that is showing here is about \$4.4 million that we're saving for all the departments.

Chairman Vicente Pangelinan: Can we reallocate that money?

Ms. Benita Manglona: Some of these are going forward so you can't expect that four million is going to be reallocated between now and the end of the fiscal year.

Chairman Vicente Pangelinan: Why not? If you're saying that you're going to withhold the allotments because from cost containment measure you have implemented you are instructing yourself not to release those allotments which would not expend those monies for those purposes. Wouldn't that be the process?

Ms. Benita Manglona: A lot of the departments are underfunded. Even despite that, they looked within their operations to try to contain cost. Like I said, most of those departments have expended their money since the beginning of the fiscal year. We're looking at this prospectively.

Chairman Vicente Pangelinan: So there's no savings.

Ms. Benita Manglona: There has been some savings, prospectively from the time we implemented, but these are prospective savings going forward for the departments.

Chairman Vicente Pangelinan: Had that been factored in to the \$36M you're asking?

Ms. Benita Manglona: Yes.

Chairman Vicente Pangelinan: So without those savings, you're telling me that you would've asked for \$40M?

Ms. Benita Manglona: Perhaps, yeah, it would be more.

Chairman Vicente Pangelinan: Perhaps? Or...

Ms. Benita Manglona: It will be more without the savings.

Chairman Vicente Pangelinan: Can we have that spreadsheet?

Ms. Benita Manglona: We have provided to the Legislature copies.

Chairman Vicente Pangelinan: It really doesn't reduce what you're asking for.

Ms. Benita Manglona: It doesn't.

Chairman Vicente Pangelinan: You keep mentioning cash to support authorization and going back-and-forth between cash and spending authorization. What are you asking for in this?

Ms. Benita Manglona: The spending authorization.

Chairman Vicente Pangelinan: And where are you going to get the cash to support that spending authorization?

Ms. Benita Manglona: We're mixing the cash and the budget here. We've just requesting for spending authority so when the cash comes in, we're able to spend it for these anticipated budget shortfalls.

Chairman Vicente Pangelinan: But you're telling me, in your transparency, that you're not collecting enough current spending operational requirements. And your solution to the shortfall is to just increase the authority to spend more cash that you don't have or that we're not going to collect.

Ms. Benita Manglona: Senator, the cash--

Chairman Vicente Pangelinan: That's why I'm trying not to mix the two.

Ms. Benita Manglona: It's difficult, because we're trying not to compare apples and oranges. Some departments do not have the spending authority, because they don't have enough budget authority. When the cash comes in to pay for this, we won't be able to disburse the funds.

Chairman Vicente Pangelinan: You mentioned that your work has been in putting together this cash flow mode. How is that different from how DOA has managed cash flow in the past? What's different about this cash flow model and how DOA has managed cash flow in the past?

Ms. Kathy Kakigi: My name is Kathy Kakigi, and I'm the Deputy Financial Manager for the Department of Administration. In the past, I can say the difference is in the past, we've done--the Treasurer of Guam has managed the cash with a weekly, daily forecast. What she does is she bases it on actuals from the year, prior. It's just a spreadsheet by the week with using the actuals as her basis to determine how to manage her cash for the week.

The difference, now, is the Administration asked us to do an annual cash flow projecting forth for the whole fiscal year. By doing so, we're able to better anticipate the shortfalls by looking at which, going forward, which months. We look at how much of our nondiscretionary expenditures, averaging about \$35M a month. It also makes us look at what is scheduled for the autonomous agencies, based on their budget. Essentially, included in our cash flow is not only the actual cash collections, but we do identify, by month, what the projection is based on the budget.

Using this cash flow model is a tool to better anticipate our cash so that we can determine where we are today and where we're going to be next month. And where we're going to be by the end of the fiscal year. We do have some months where we do collect less than what we're required to pay out in obligations that if we don't meet those payments, we are either going to be sued or in violation of some court order.

That's the difference between how we used to do it.

Chairman Vicente Pangelinan: You mentioned that you have discretionary and nondiscretionary. Where do you put tax refunds?

Ms. Kathy Kakigi: Sir, at this time, it's on the discretionary.

Chairman Vicente Pangelinan: So you're saying that you have discretion on whether or not to pay refunds? Is that the fiscal policy? You're saying, if we give you the spending authority, don't worry about the cash, because we'll pay it when we get the cash. Ms. Manglona, you mentioned that it usually comes out of the refunds and now we know that the Administration believes that refunds are not an obligation; they're discretionary. If we give you this additional spending authority and you don't collect the additional cash, where would you get the cash, then, to finance your additional spending authority that's being requested in this bill?

Ms. Benita Manglona: Senator, you asked multiple questions so I'm going to try to answer all of them. You're talking about discretionary expenditures. If we are going to pay and meet all the nondiscretionary expenditures, which are the Bureau of Prisons, the Permanent Injunction, the debt service, the retiree supplemental annuities, the retiree benefits, the GBB reimbursement of DOA, the payroll for all the government agencies, the utilities for Department of Education operations, GMH pharmaceutical, Medicaid, MIP, and the Judiciary... these are the nondiscretionary expenditures.

When you take these, there's really not much left, and you have to prioritize the discretionary. We consider it discretionary expenditures to GCC, UOG, GMHA, the Legislature and OFB, the Office of Public Accountability, and also the non-profit organizations. If we release these expenditures because of the--considering the cash coming in, we are challenged to pay out tax refunds. That's why we've had to minimize or reduce the payouts. We are not meeting the tax refund provision on a monthly basis.

Chairman Vicente Pangelinan: But those items have been budgeted for. The items you're mentioning are budgeted, and if we collect the money, at least to the budgeted level wouldn't that include the refunds?

Ms. Benita Manglona: If I may, I want to take you back in time.

Chairman Vicente Pangelinan: I've been here a long time so how far back do you want to take me? I've been here almost 20 years.

Ms. Benita Manglona: Just a very short time, I guess. We started October with a negative cash--

Chairman Vicente Pangelinan: You say you're negative in October, because you had to pay prior years. Kathy, isn't that what happens every year--you usually use the October revenues to pay some of the incurred but not billed? And a lot of that is Medicaid and MIP, because those expenses are incurred but they're not incurred in FY 2010 and not billed till 2011? You would use 2011 revenues to pay those bills? Isn't that normal?

Ms. Kathy Kakigi: Yes sir there is a 30-day accounts payable that's normal... what's different this year is pretty much the deficit has finally caught up with the government with this fiscal year. Last year I know that my former director Lou was stressed daily on how the cash challenges were getting worst and that is the reason why she had to resort to borrowing restricted funds. I believe in my whole term as a financial manager at DOA, we have never resorted to that.

Chairman Vicente Pangelinan: Ok, one of the problems you faced was kind of unique coming in was that you saw all the Section 30 was used by November

Ms. Kathy Kakigi: That's correct

Chairman Vicente Pangelinan: Kathy, did that just happen this year, or is that usually how it is... that the remittance for Section 30 for the entire fiscal year, the cash is usually spent within the first 2 months of the fiscal year... that's like normal isn't it?

Ms. Kathy Kakigi: Yes that is normal

Chairman Vicente Pangelinan: It wasn't a new thing that only the Calvo administration faced...

Ms. Kathy Kakigi: Yes but there are additional cash challenges...

Chairman Vicente Pangelinan: Yes, we all understand that part of it is the health insurance. I keep saying that and we just decided to ignore it and keep paying it and not make any adjustments or not request anything additional until it's going to expire next week. We've asked for this in January. Had we responded to that, we would have a better response than what we have today. Again, the idea here is that this spending authority... so if we're not going to collect anymore cash, but we're going to increase the spending authority are you comfortable with that? Of increasing the deficit rather than controlling the deficit?

Ms. Benita Manglona: We are controlling the deficit Senator with the cost containment measures that the departments have been instructed to do.

Chairman Vicente Pangelinan: Again if you place the 3% reserve on the remaining balance of the fiscal year appropriation how much would that be?

Ms. Benita Manglona: That's about \$7.8M.

Chairman Vicente Pangelinan: But you're only saving \$4M? Shouldn't we count that or is that just a reserve and you're still going to spend it?

Ms. Benita Manglona: That's on top of it.

Chairman Vicente Pangelinan: On top of it? Of the 2% reserve?

Mr. Steve Guerrero: Senator, my name is Steve Guerrero, I'm the deputy director of the Bureau of Budget... to answer your question Senator, the \$4.7M that we're expecting to generate by the end of the fiscal year and the cost containment is on top and is not part of the \$7.8M that we set aside on the 3% reserve, which we took off the top of all the appropriations for the line agencies.

Chairman Vicente Pangelinan: Right. So, that's money that you will not spend... but that's money that's budgeted for, and if we collect that money... that money should be available to meet some your spending operations shortfalls... shouldn't it?

Mr. Steve Guerrero: That's correct, Senator.

Chairman Vicente Pangelinan: Ok, is it in here? Did you account for that? I don't see it here in the spending plan and the appropriation levels.

Mr. Steve Guerrero: The 3% set aside reserve was included in the overall calculation of the shortfall and the \$36.6M we're requesting in the supplemental was the actual true shortfall the departments will generate at the end of the fiscal year, which already includes the 3% set aside.

Chairman Vicente Pangelinan: So your shortfall for the entire fiscal year would be the \$4M in potential savings, the \$7.8M in 3% reserve and the 2% reserve is still there under the public law appropriation cap.

Mr. Steve Guerrero: That is likely and could happen yes.

Chairman Vicente Pangelinan: So, there's that 2% and there's \$10M, somewhere in that neighborhood? So your savings from the budget versus if the revenues come in anywhere near it. Your savings will be another \$22M ($\$7.8 + \$10 + \$4 = \22) in savings, but you're still asking for another \$36M on top of that. So you really want to increase the spending here by \$25, \$26 plus the \$36?

Mr. Steve Guerrero: Just remember Senator that the \$4.8 is basically prospective so that's what we anticipate to generate if each cost containment measure should stay in place and are actually realized at the end of the fiscal year the 3% set aside is something like I said, we took off the top and that is held in abeyance right now and is not released by the agencies.

Chairman Vicente Pangelinan: So you're going to spend that money the \$36, the \$25 from the reserves and the cost cuts plus the \$25 that hasn't been paid in refunds. I mean how much as we going to increase the spending, really, even if it's just in spending authority.

Ms. Benita Manglona: Can you repeat that Senator.

Chairman Vicente Pangelinan: If you're saying... you're coming here... you already have a reserve amount of the 3%, plus the reserve amount of the 2% plus the \$4.8M – maybe, plus the \$36 that you're asking for, plus the refunds that are not being paid... you're going to spend all of that in this fiscal year, by requesting this additional spending authority? I'm just trying to follow it.

Ms. Benita Manglona: I'm also trying to follow you to and I'm not really following you.

Senator Pangelinan. Yes, I know because I'm trying to see where this cost containment is if we are asking to spend the reserve.

Ms. Benita Manglona: The cost containment like I said that is prospective. Some of the departments have operational shortfalls and they don't have enough spending authority and they're trying to...

Chairman Vicente Pangelinan: Is there any plan to control the spending on the discretionary side or the non-discretionary side? For example... overtime. Is that discretionary or non-discretionary?

Mr. Benita Manglona: At the instruction of the Governor's executive order it is to contain cost and all of the directors are instructed to contain and minimize overtime and wherever look within their department to contain whatever cost they can contain and minimize the impact.

Chairman Vicente Pangelinan: Ok, I'm just trying to see, because you're asking for an additional spending authority of over \$50M, but last year we had a budget of ... we spent \$520M - somewhere in that neighborhood. We spent a \$100M in refunds - the full allotment and we were short on our revenue projection and we didn't ask for additional spending authority. We actually contained the spending authority. This year you have all these spending containment plans, but instead of keeping it level or increasing it a little bit, we are asking to increase it by tens and millions and then we're not going to pay the refunds on top of that.

Mr. Kathy Kakigi: Senator if I may, I wanted to add on earlier trying to make sure that I don't break any rules, but like I mentioned earlier with my former director Lou, she did really feel the cash challenges and she did echo that to me about her concerns about one day having payless paydays. Fortunately, what kept the government going were the advance payments of the Make Work Pay tax credits. We were actually using that to pay operations to keep the government going as well as tax refunds.

Chairman Vicente Pangelinan: Yes, and we need to reconcile that.

Mr. Kathy Kakigi: Yes sir.

Chairman Vicente Pangelinan: Alright, but before we get to the revenue side of the revenues being identified on the expenditures side, Mr. Vice Speaker did you have any questions?

Vice-Speaker BJ Cruz: Just a comment and a question. Your statement was an eloquent statement and it pulled at every heartstring. I've spent many years on the bench and opening and closing statements do nothing for me - evidence does. Since I have you this afternoon I'll go through all my other problems with you. Just one that you mentioned this morning; that you paid \$42M in prior year obligations, was that your testimony?

Mr. Benita Manglona: Yes, that's General Fund and Special Fund.

Vice-Speaker BJ Cruz: Correct. And I'm trying to find the evidence. Using your last statement revenue - that's why I asked if you had a new revenue statement - the one that you guys issued on April the 23rd. On the very last page on April the 30th, I'm sorry... on the last page, under your signature twice and Mr. Camacho's signature once, there's a footnote that says, prior year obligations expended last year, but paid with current receipts is \$25.2M. That's the only evidence I that I have. Your eloquent statement does nothing for me. I'm only looking for what you have in your most recent statement to this legislature.

Ms. Benita Manglona: Senator, that report only reflects General Fund. My statement of the \$42 includes the Special fund and then you would have to look at what period in time.

Vice-Speaker BJ Cruz: I'll repeat it again; prior year obligations expended last year but paid with current receipts is \$25.2, the receipts include some special funds, right? There's a completely different report for it, but if you take it from the TAF or if you take it from somebody else, it's still current year receipts. The reason why I'm having problems with you is because when you came to my office last week and I spoke to you about this Ms. Kakigi, you told me that "that's how much we paid this month" and I almost went across the table at you because if you had \$25M to pay prior year obligations in one month, then we're a wash and water in funds... we're the Mississippi River... we're over flowing...

Ms. Kathy Kakigi: Sir, when we provide you monthly reports, actually you're going to have current year expenditures and you're going to have year to date. The \$25M is year to date. The footnote that you find at the bottom is just a way to advise the senators how much of this year's current year revenue that we're using to pay prior year obligations.

Vice-Speaker BJ Cruz: Ok, so where do I find the \$42 million dollars? I've looked everywhere.

Ms. Kathy Kakigi: When we accrue expenditures for prior year, it would've been recorded on last year's books. We will debit the expenditure and we would credit the accounts payable. As we pay them this year, we will debit accounts payable. You're not going to find it as an expenditure in the report for 2011 because it was a 2010 expenditure. And we did compile a report for you, a detailed analysis of all the invoices that were paid for prior year obligations. We have that available for you for this afternoon's hearing.

Vice-Speaker BJ. Cruz: Ok great, because I'm just trying to figure out where that number... Because if I don't have that evidence in front of me, as eloquent or as passionate your plea was, it falls flat, because I don't believe anything if I can't justify that \$42M... then your entire thing falls.

Ms. Kathy Kakigi: We will have that report delivered to you, sir.

Chairman Vicente Pangelinan: Kathy, wouldn't that be reflected if you... Because that's where you accrue things, but you tell us about the cash... if you're going to talk the cash... don't you have to do a modified accrual based on the cash? So that we can be very close to be on the same page.

Ms. Kathy Kakigi: What we have on our annual report which is the beauty of it is that we do detail out how much of current year revenues are paid for prior year obligations and we do identify if they are autonomous agencies, who they are and for also which current year expenditures are being paid as well. So this report will be very useful that we can make available for the Senators.

Chairman Vicente Pangelinan: That's why I'm saying that you would need to present the cash and then you do your modified accrual to tie to that cash and reconcile to the cash.

Ms. Kathy Kakigi: Yes sir, we can do it... we can arrange that.

Chairman Vicente Pangelinan: That would be the way to get to misunderstandings and seeing what would appear to be incomplete reports. Any other questions from the panel on the expenditure side? On the revenue side, John you presented the revenue from the American Opportunity and these three different sources of revenue. Can you just highlight each one and what they are really?

Mr. John Camacho: I'll be glad to, Mr. Chairman. First off Section 30... this is a communication that I have provided you between the IRS and the Department of Revenue of Taxation receiving a complete actual situation of the state of legal residence for the year 2009 specifying that we will be receiving the \$2.3M. I've provided that to your office yesterday.

Chairman Vicente Pangelinan: When will we receive that?

Mr. John Camacho: It's forthcoming through our communications with the IRS.

Chairman Vicente Pangelinan: When? This fiscal year?

Mr. John Camacho: Yes.

Chairman Vicente Pangelinan: Are you going to book it as revenue this fiscal year?

Mr. John Camacho: Yes.

Chairman Vicente Pangelinan: It will be booked this year, even though it's for prior years?

Mr. John Camacho: Yes, it's a reconciliation. From my understanding in the state of legal residence from which is actually the people from Guam joining the military... there's a huge number of people filing with the United States and they are actually suppose to file with Guam. So IRS and Guam will actually communicate and see the net difference... and once the net difference is determined the amount is transferred to Guam. So they're doing that now.

Chairman Vicente Pangelinan: So that's the \$2.3M?

Mr. John Camacho: That's the \$2.3M.

Chairman Vicente Pangelinan: And we will get the cash?

Mr. John Camacho: We're hoping. We should be getting it. There's a communication between us and the IRS.

Chairman Vicente Pangelinan: Ok, how about the other sources of income?

Mr. John Camacho: The second one is the American Opportunity Credit. This is in line with the Making Work Pay Credit. It's an ARRA funding, where we are compensated from the lost revenue due to the law that was passed by President Obama. For the American Opportunity Credit, what is it is basically is tax payers taking the Educational credit, Qualified Tuition credit that are taken on the return with other related expenses such as post and post secondary education. So if you're eligible or your dependent is eligible to take that credit, the law allows you up to the \$2,500. The law of the ARRA says that up to 40% would be refunded. So once we gather this information as we pay them out, we're estimating as of now there is \$2.6M that has been claimed on the return in which about \$404 has been submitted for reimbursement. So this is a reimbursement thing that we will be getting in the long run.

Chairman Vicente Pangelinan: How long?

Mr. John Camacho: Soon hopefully...

Chairman Vicente Pangelinan: This fiscal year?

Mr. John Camacho: This fiscal year because the MOU agreement says that once we pay it, we can ask for reimbursement similar to the ACTC.

Chairman Vicente Pangelinan: Right... So you're telling me that you're going to pay all of those tax refunds?

Mr. John Camacho: We will... that's what we're looking at.

Chairman Vicente Pangelinan: But they're saying that's discretionary...

Mr. John Camacho: But in order to get that funding Mr. Chairman, we have to pay it.

Chairman Vicente Pangelinan: That's right. You have to pay it first - the tax refund, not just the credit the entire tax refund.

Mr. John Camacho: Yes, we are aware of that with the fiscal policy team.

Chairman Vicente Pangelinan: And so you've identified those returns?

Mr. John Camacho: Yes, I've provided a report for you on the summary of the numbers that are being claimed and the amounts that are actually being...

Chairman Vicente Pangelinan: And this is for tax years?...

Mr. John Camacho: 2009.

Chairman Vicente Pangelinan: And you're going to book the revenue when?

Mr. John Camacho: As soon as we... it's a reimbursement... we pay it, we get reimbursed... as soon as we get it then that's the category.

Chairman Vicente Pangelinan: Kathy, when will you book that revenue?

Ms. Kathy Kakigi: As soon as the cash is received, Sir.

Chairman Vicente Pangelinan: And you will book it as FY two thousand....

Mr. Kathy Kakigi: We're in the modified accrued basis so this is a new revenue source that will be booked as revenue for this year.

Chairman Vicente Pangelinan: For this year?

Ms. Kathy Kakigi: Yes.

Chairman Vicente Pangelinan: What's the total of those returns, John?

Mr. John Camacho: Give me a few minutes to look for the paper.

Chairman Vicente Pangelinan: Ok look for that and then the total... Kathy, so what are we going to do with the Make Work Pay credit? And John, are you going to book that as revenue this year? All of those 2009, 2010 when you pay those refunds because it's a reimbursement?

Ms. Kathy Kakigi: Sir, we only recognize it as a revenue when it turns out at the taxpayer actually owes the government and this time revenue and tax was able to run some reports since they have processed about 90% of 2009 returns. So we are looking of about \$4M to \$5M to be recognized as revenues for this year... for the Make Work pay tax credit.

Chairman Vicente Pangelinan: And how many is outstanding that needs to be reconciled?

Mr. Camacho: First I'll go back to your first question

Chairman Vicente Pangelinan: Ok, you have the info.

Mr. John Camacho: The refundable portion of the American Opportunity Credit... there's a final total of 2,528 returns that were claimed with a refundable credit of \$2,697,043.68.

Chairman Vicente Pangelinan: What's the total refunds? Because we have to pay the refunds.

Mr. John Camacho: The total refunds... like I said earlier, we've already paid the refunds on the claim of the \$404,000 that actually submitted already. I don't have the total amount of refunds for that portion. But for this portion, it's roughly \$3.9M or \$4M.

Chairman Vicente Pangelinan: Of refunds? So \$3.9 total refunds and \$2.6 of that is the refundable American Opportunity credit?

Mr. John Camacho: Because not only are we refunding them... they're also overpaying the government... and again it works in the same matter of the Making Work Pay credit where we will realize revenue because if the refundable credit is equal or less than the... if the total liability is equal or less to the refundable portion there will be revenue recognized.

Chairman Vicente Pangelinan: So, the total tax refunds owed to these 2,000 tax payers is...

Mr John Camacho: \$3.9M, \$4M roughly.

Chairman Vicente Pangelinan: \$3.9M. Ok, and so we will get that cash..

Mr. John Camacho: Just to clarify also, when I said 2,528 taxpayers, we have already paid a portion of that. This report is telling me the overall credit. So we have already paid a portion of that... that we have already submitted a claim for... for the \$404,000 so the difference between the \$404,000 and the \$2.6 is what we will be paying out, which represents the \$3.9M or \$4M.

Chairman Vicente Pangelinan: And the third...?

Mr. John Camacho: And the third revenue that we're looking...

Chairman Vicente Pangelinan: But John, based upon the work that we did in this year's fiscal budget, we've actually accounted for \$1.2M of this American Opportunity Act and built that into the revenue projections.

Mr. John Camacho: When I was talking to and maybe the budget people can ... I raised this issue to them when they were doing their projection of their portion. They said the only reimbursement they were looking at was the ACTC and that this is something new to them. So, if you want to ask BBMR that question, maybe they can answer that.

Chairman Vicente Pangelinan: Ok, maybe BBMR didn't, but when we finalized the budget out of OFB, based upon the budget hearings on the revenue side and that this was going to be a reduction in our withholdings and that we will get reimbursed ... I just want to say that we did built in... I think it was \$1.2.

Mr. Chris Budasi (Director of OFB): Yes, the government from the provision provided by DRT, for that tax year.

Chairman Vicente Pangelinan: Right. So we actually built in \$1.2 of that into the revenue stream for this fiscal year already.

Mr. John Camacho: So if you look at \$1.2 and \$2.6 we're only 90% complete in processing, there's still a difference then...

Chairman Vicente Pangelinan: Yes, so it will be somewhere in that neighborhood... so the last...

Mr. John Camacho: And the last one is pretty simple, Mr. Chairman. If you go back when they passed the tax rebate - where people were allowed to get a check based on their status and their number of dependents - the US Treasury and IRS gave us an upfront money of \$52.5M. So we started paying out those rebates to all the taxpayers on Guam. And there was a certain day that we had to return unused funds back, but they gave us the authority that in the event that there was a claim in which they reinstated a rate reduction credit which is basically what it is... it's reducing the rate of 50% to 10% ... that we will be allowed to ask for reimbursement. So, this is the part that's coming in from the 2008 returns from taxpayers that never received the rebate and thus far it's about \$646,000 and we did ask for that reimbursement, Mr. Chairman.

Chairman Vicente Pangelinan: And again I noticed that you submitted some of this yesterday.

Mr. John Camacho: I think for the rebate... I think a week or several weeks we submitted... I think the American Opportunity credit... I've got to verify if we submitted a request already.

Chairman Vicente Pangelinan: Ok so...

Mr. John Camacho: But we already have the numbers.

Chairman Vicente Pangelinan: Now John, you don't think we're going to have a problem because the MOU requires you to process those refunds six months after the tax returns after they were filed?

Mr. John Camacho: I guess the credit will be allowed basically within the year. In other words, the 2009 would have to be claimed in 2010 and the 2010 would have to be claimed in 2011 in order for the credit to apply. But we were also looking at that - the statute but we couldn't find any provisions that allowed that ... it's an issue now that we would have to look for some kind of opinion or communication between the IRS on whether or not if someone was to file a 2009 return, which by law they are allowed 3 years of statute of limitation to file an amended return to whether or not we can allow this kind of credits.

Chairman Vicente Pangelinan: So we're not sure on that yet?

Mr. John Camacho: We're looking into it now, but I was assured by our people at revenue and tax that the frame they were giving us were within those ranges that we're claiming.

Chairman Vicente Pangelinan: Ok, because the MOU says that "however it is anticipated that Guam would submit requests no later than six months after the income tax returns are filed for which the American Opportunity Tax credits are claimed." Did we submit those requests within six months of the filing of those tax returns?

Mr. John Camacho: But again we have to pay it. So the problem is in order for us to seek reimbursements we have to actually pay it. I think our concern here is whether or not the MOU specified that for the 2009 return refundable credit in order for it to be acceptable would be actually filed in 2010 and we were looking at that right now and my people are saying that they

did not see any law that restricts us from a taxpayer not making claim from beyond that. I think that's the issue that we're really... because we're looking at the issue of reimbursement where we actually have to pay it and then seek for the reimbursement.

Chairman Vicente Pangelinan: And when will you have some sort of definitive reading on that or interpretation? I assume you are asking it from the IRS?

Mr. John Camacho: Yes, we will be communicating with the IRS on that.

Chairman Vicente Pangelinan: And when will you...

Mr. John Camacho: Well we will be looking into it and we will try to communicate that... the communication barrier between us... sometimes it takes awhile when we ask for the opinion - on the EITC it took awhile.

Chairman Vicente Pangelinan: Do you think they will release this reimbursement without that issue cleared up? I guess that's my question.

Mr. John Camacho: We'll see. The problem is that we were basing it on when we paid it. We are now actually paying these things so we will be requesting... so we'll communicate with the IRS.

Chairman Vicente Pangelinan: But again do you think that they will give us the cash before clearing up that question or do they have to clear up that question and send us the cash reimbursements?

Mr. John Camacho: What we will actually do is I would recommend that we submit our claims and then from there we work.

Ms. Marie Benito: Mr Chair, I would just like to add on that. You know that they are aware of our situation that we can't make timely refund payments so they will be pretty reasonable as to how far the reimbursements. I don't have a doubt on that.

Chairman Vicente Pangelinan: John, during the budget last year, Mr. Bamba at that time wanted to appropriate that money. Wasn't it the same and said that it is money in the bank?

Mr. John Camacho: I'm sorry Mr. Chairman I don't recall, but maybe... I don't recall the situation right now.

Chairman Vicente Pangelinan: Ok...just to Karl quickly then... Karl, on the reimbursement from the receiver, I'm quite familiar with that... the receiver has indicated that he was going to recommend to the Judge that they withhold the reimbursements until they are assured that all of the funds for required for the opening of Layon and closing of Ordot are in fact budgeted for and accounted for and you know I met with him of course and presented our position and we believe there's more than adequate funds there . Did the Governor have any additional discussion on the

receiver on this matter that would cause him to ... on the possibility of getting this money released?

Mr. Karl Pangelinan: I know that he sat with him. I'm unaware of what transpired during that meeting. Our next step is to have the AG make that request with the federal courts.

Chairman Vicente Pangelinan: The other thing is of course, this reimbursement has been appropriated by the Legislature in Bill 155 and it was to pay emergency tax refunds and of course to appropriate half a million dollars to take care of some cemeteries - the emergency requirement at Umatac and Malessa for the need of additional cemetery plots there. Is the Governor going to veto Bill 155 so that he can have this money for this purpose?

Mr. Karl Pangelinan: I know the bill has been transmitted up to the Governor's office. I believe there was also a section there regarding Okkodo that was added in. I know they're reviewing it right now. I don't know what their steps are.

Chairman Vicente Pangelinan: Any other questions on the revenues? If not... Again, the request by Speaker and Vice Speaker Cruz and of course Senator Guthertz is the position of the Retirement Fund and the consideration being weighed by the members of this body - that the administration would want to look at what would be the alternative and additional plans, should... or maybe after hearing the retirement's position... may want to withdraw that... we don't know... But if that portion of the revenue source identified to fund the additional spending authority being sought for in this bill, then what would you do and how would you restructure this bill? And you will get back to us by...

Ms. Benita Manglona: Senator, I would need to get back to you on that one.

Chairman Vicente Pangelinan: Ok, and again, my position on this financial condition of this government and my approach to this debt, and the biggest debt and the biggest deficit is the refunds and anytime we can minimize the need to borrow for refunds and pay interest for the next 30 years, from current available revenues that we do that. That should be the priority because it is the priority to reduce the deficit but much more important, it's the face behind that tax refund. You know that we're not going to ignore the face of that individual who has to go to get cancer treatment and he can't because his refund is not being paid. So we prioritize paying those refunds so that they can go get the care they need. In addition, we are retiring and reducing our deficit, so we are doing both. But if it's to take the refund cash that we have or the resource from new revenue that are identified that have not been budgeted and put it to operations, then those are the challenges that we face. My approach has always been pay as much of the refunds as we can today to meet the needs of our people. Avoid the need to pay 30 years of interest payment on that; even if it's just \$4 ... interest on that \$4M for the next 20 - 30 years is a lot of money that goes towards unproductive use of reducing our deficit. So again, that's my approach and that's what I'm looking at. We also know that we have the challenges and I understand the dilemma the Administration is in. I tell you, as I said - I've been here for almost 20 years and this is nothing new. The idea that we're going to shut down the government and we have all this... we have seen other administrations make the same thing, but have put their nose to the grind stone and worked it out and try to control cost. When we were down last year in our

revenue projections, we held the line on expenditures and did not ask for additional operating expenditures authorizations and I know that's the challenges we all find ourselves and it's the priorities we place what we're going to do when we are in charge. I do want to thank you and that you understand the dilemma but that is very critical for this body in terms of the request of that revenue source because it's weighing heavily on the members as you can seem, so we really need to take a look at that and address that.

I want to thank each and every one of you for your testimony on Bill 184 and I look forward to the additional information that has been requested and to work something out that can support the needs of our community with regards to the service that is provided by the government employees and its department and agencies and of course our obligations and our duties to the taxpayers who we all want to... and I want to thank Revenue and Tax because I know you all face those individuals every day and you have put in a system that response to them and prioritizes it and it's not the ideal system, but it helps us deal with the face behind the return and I want to commend you guys for your approach to that... to those needs to those individuals... any closing statements on Bill 184?

Senator Dennis Rodriguez: Thank you Mr. Chair. You know I just have a few questions on the spreadsheet you provided us, the cost containment. This \$4.4M that you anticipate to save... This is for the remaining of this fiscal year?

Ms. Benita Manglona: This is prospective.

Senator Dennis Rodriguez: You know because...

Chairman Vicente Pangelinan: That will be for the remaining of the fiscal year?

Ms. Benita Manglona: Yes, part of it...

Senator Dennis Rodriguez: You know we say that Revenue and Tax is the arm that we have to strengthen to go out there and collect... right and I see that some departments here that don't provide any measures for cost containment, but for Revenue and Tax you're projecting \$59,000 in savings ... salary... \$50,000 in contracts and it goes on... I just don't understand the logic of why we would be saying we're going to save this when this is the department where we need to make sure it's stronger.

Mr. John Camacho: Thank you for that question, Senator Rodriguez. Again, when the Governor basically asked all the agencies to identify not only cost containment but operational efficiencies and revenue enhancements, we were looked at as a goldmine at Department of Revenue and Tax and we have very minimal cost containment, but actually we are a department that really needs to beef up our revenue projections and revenue collections and as the Governor actually mentioned that, we actually came up with a lot of recommendations on the revenue enhancement side and maybe I can mention some of the most important ones in that particular revenue enhancement and one of them that was mentioned earlier is the new system that we're actually getting for the real property tax, where we have a current tax mapping system going on - the GPAS, the Comma - that will generate roughly around \$13.8M and everything goes into

Section 30 working with the IRS trying to get some money in. This is something that we're trying to increase - the revenue side and even in the department of motor vehicle side. We were actually looking at implementing the five-year license rule, which generates roughly \$300,000 every year for the next three years, so these are the things we want to look at and raise revenues for the island of Guam and earlier if I may Senator...

If I may talk about why I'm asking about the \$400,000 to improve our e-filing system with the Department of Revenue and Taxation. Basically we want to try and cut our processing time by 80% and that's cost savings for us in the long run and basically if the bill goes through with the Governor asking to borrow the \$340M and pay off the 2010 and prior year refunds, in anticipation of the people filing 2011 to just pay them and promote the e-filing of the income tax for 1040EZ or 1040A, this will basically promote the efficiencies of the Department of Revenue and Taxation, where they don't have to process 80% of the time and actually even spending \$200,000-\$300,000 in overtime that we're doing. So these are the things that we're looking at and hopefully if this thing goes through and we get that funding then we'll provide that service.

Senator Dennis Rodriguez: You know I agree with the revenue enhancement, yet I still don't understand the logic of this cost containment of the total of \$134,000 when it should be reinvested. If anything this is one department where I would like to see where there is no mention of cost containment, because we need to put that back and invest it back in getting the people to getting our tax dollars. You know that's my comment on that but you know my other question was... I remember a few months ago about a release I saw that there was a savings of about one point something from the Governor's office... and I was hoping to see that here in this spreadsheet. Are you able to explain that to me?

Ms Benita Manglona: We have to get back to you on that... I don't know where the report is.

Chairman Vicente Pangelinan: It was a press release...

Senator Dennis Rodriguez: And so that's something I was always very interested in because if there was that savings there, I know there are a lot of health issues that need that money, so if you could just get back to us on that.

Chairman Vicente Pangelinan: Thank you very much. John, so you're saying we're going to be increasing the real estate taxes through assessments?

Mr. John Camacho: Yes, Mr. Chairman. As you know the project on the tax mapping was started last year in which, part of the project was to identify all the improvements all over the island with satellite. We have identified those additional improvements and escape assessment properties and right now our staff are going with the vendor in measuring those improvements and sooner we will be making those additional assessments soon on the tax mapping side. On the new contract that we're getting right now basically it's to replace the real property tax system which is called the Guam Property Tax Assessment, which is in conjunction with the COMMA... the system would actually do billing as we move forward... do the re-evaluation of the properties based on average. This is a system that is used widely over the states so in essence so we are really going to identify those properties in conjunction with land management and

public works. So in the event that we have this system we will re-evaluate the properties on Guam required by law, so if the assessment value goes up then of course tax will go up.

Chairman Vicente Pangelinan: John, I'm only asking this because I looked at Bill 145... and if you look at your revenue projection for real estate it's actually decreasing from current year, unless we're just going to be so short from this budget. But it's not increasing it's decreasing from the current adopted revenue. So, if you're saying we're going to increase this from the increase assessments capturing escape assessments, it's not being reflected in the revenue projections. When we get to the budget bill we will look at that. I want to also ask you to please look at carefully is the notice - for example that we will reduce some salaries and reduce benefits by like three times the salary. For example the Guam Police Department. You've reduced your salary level by \$140,000 regular salary from the current adopted expenditures, so you're reducing regular salary by \$140,000 but you're reducing benefits by \$662,000. Those are some of the numbers we looked at. At the Department of Correction you are reducing regular salaries by \$262,000 and you're reducing benefits but \$479,000, so it doesn't seem to match. I know in the past it's been a plug number of 32% of your base benefits. We looked at this and we were a little more careful in that the benefits is just basically what would you say, Steve to account for that kind of disproportion in terms of reduction.

Mr. Steve Guerrero: Senator, in preparation of the staffing patterns when we do this ... we do actually take the actual gross of the employees and multiply it times the retirement and any health, dental, and life adjustments each fiscal year... and we anticipate to occur...

Chairman Vicente Pangelinan: It's a percentage of that gross?

Mr. Steve Guerrero: It's a percentage of that, yes and why the variance. I will have to get back to you on it. I don't want to say anything right now. I would have to look at it and definitely get back to you on it and maybe give you reason as to why it is like this.

Chairman Vicente Pangelinan: It does... and not everyone is like that. The biggest ones we the Department of Corrections, the Department of GPD, and the Fire and the percentage between ... without the adjustments... or the percentage if you look it from the adopted staffing pattern budget items in the current budget it's about 32% after you make the adjustments for either increase or decrease the difference the percentage of benefits falls to like 27% - 26% of the gross. Whereas prior to the adjustment it was 32%. but those are the major areas where I saw those drops on that. I just think we need to look at that and be a little more careful.

Mr. Steve Guerrero: Ok.

Chairman Vicente Pangelinan: Any other questions? Again, thank you very much and *Si Yu'os Ma'åse'* for your presence here this morning. I know we had Bill No. 145 also scheduled today and maybe we're a little more ambitious than we should have been. Maybe just open the hearing and just give a general view of it and then we can continue the hearing for more of the specific discussion. So the overall philosophy behind the biennial budget, the growth in the revenues and maybe a 15 minute introduction on that and that would give us an opportunity to look at what's the philosophy and the financial policy behind the presented... the budget that is

presented in the governor's submittal and we thank you for... I think we've received 13 or 14 of the detailed budgets yesterday, of the departments and that's leaves the other departments and agencies without submitting their budgets...

Vice-Speaker BJ Cruz: Mr. Chairman, my oversight this afternoon won't be that long. If you would want to continue this afternoon, at 1:45...

Chairman Vicente Pangelinan: Ok, why don't we do that. It will be most of the same player, so we'll go ahead and have your hearing at the scheduled time and after we adjourn at your hearing, we will continue this hearing on Bill 145. We'll go ahead and adjourn for lunch so to give everyone a chance to refresh themselves. *Si Yu'os Ma'ase'* and we will recess this hearing.

III. FINDINGS & RECOMMENDATIONS

The Committee finds that subsequent to the public hearing the Governor and the Retirement Fund agreed to remove the proposed funding required to implement the intentions of the bill. A new method for funding required major changes in the bill and was inserted.

The Committee determined that funding gaps were identified and required additional changes to the structure of the bill and were best incorporated in a substitute version rather than through numerous amendments.

The Committee considered requests from members of body for inclusion of the vital needs in the bill as submitted by the Governor and incorporated them for consideration by the entire Legislature.

Finally, the Committee finds that it has addressed the requests of the Governor and determined that additional administrative provisions to ensure transparency and accountability must be presented to the body and the people of the collection and expenditures of the revenues identified to meet the additional needs of the Administration.

The Committee recommends the passage of Bill 184-31 as substituted by the Committee on Appropriations.

The Committee on Appropriations, Taxation, Public Debt, Banking, Insurance, Retirement, and Land hereby reports out Bill No. 184-31(LS), as substituted with the recommendation To Pass.

Act 5-6-11

2011 MAY -4 PM

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EDDIE BAZA CALVO
GOVERNOR

RAY TENORIO
LIEUTENANT GOVERNOR

Office of the Governor of Guam

OK

May 4, 2011

The Honorable Judith T. Won Pat
Speaker
I Mina'Trentai Unu Na Liheslaturan Guahan
Thirty-First Guam Legislature
155 Hesler Street
Hagåtña, Guam 96910



31-11-514

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51311
4:30 PM

Dear Madam Speaker,

Transmitted herewith is the **Supplemental Appropriations Act of 2011** – “An Act To Provide Supplemental Appropriations for the Operations of the Executive Branch of the Government of Guam for Fiscal Year ending September 30, 2011; and for other purposes”.

I am submitting a supplemental funding request to enable this government to continue forward with its programs in a manner that promotes fiscal re-alignment, stabilization and transparency. It is also important to stress that the “Supplemental Appropriations Act of 2011”, as presented herewith, is intended to relieve mounting demands placed upon many of our essential government agencies. These agencies play a vital role in the delivery of public services for our people, but are operating under fiscal circumstances brought about by the multitude of challenges facing their agencies. During the transition phase of this administration, we were advised by the Camacho Administration's Fiscal Policy members that budget shortfalls for various programs and agencies are to be expected as the current budgeted levels were lower than requested for operational requirements. Additionally, the previous administration projected a shortfall for Medical/Dental/Life insurance for both the retirees and line-agencies. This funding deficiency was confirmed by the Department of Administration and the Bureau of Budget and Management Research and further affirmed by the Office of Public Accountability. The contract for health insurance was already in effect and providing coverage for government of Guam employees three months prior to the start of this administration. These insurance rates had been negotiated by the Government of Guam Health Insurance Negotiating Team, which included representatives from all branches of the government. The passage of the Fiscal Year 2011 Budget Act occurred in August, and prior to the completion of the newly negotiated rates, thus making it difficult to make budgetary adjustments as all projected revenues available for appropriations had already been allocated. As such, it is necessary to seek a supplemental appropriation to continue providing health coverage to retirees, employees and their families. This will ensure that those

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receiving medical coverage will not be placed in a situation that will compromise their health and well-being. Not funding this request will inevitably result in the termination of medical coverage by mid-June.

All projected revenues for Fiscal Year 2011, with the exception of the 2% reserve, had been appropriated in the Fiscal Year 2011 Budget Act. As such, the identification of revenue sources to fund this measure presented a complex challenge. However, the Bureau of Budget and Management Research, the Department of Revenue and Taxation and the Department of Administration explored all potential available funding sources which included non-traditional revenue sources and funding options. The current cash challenge dictates the need for the use of these non-traditional sources.

October of this fiscal year began with a **negative \$2.2M** cash balance. In that month, \$42M in General Fund and Special Funds were paid out for prior year payables. In addition, \$1.7M was paid back to a restricted account and this ended the month with a **negative \$18.3M** cash balance.

November ended with a **negative \$14.3M** cash balance, which prompted the financial institution to advise DOA to reduce its cash float.

December ended with a **negative \$3.2M** cash balance, which included \$8.4M in inter-fund borrowings that, without the borrowing, would have increased the end balance to a **negative \$10.5M**. As a result, the impact was reflected in the substantial non-payment of subsidies to the autonomous and semi-autonomous agencies, limited vendor payables and significantly reduced pay-outs for tax refunds. It should be noted that in December, tax refunds ceased to be paid out two weeks before the end of the month.

January ended with a **negative \$2.8M** cash balance. From revenues collected in this month, it afforded us the opportunity to embark on a new fiscal policy and to restore the inter-fund borrowings of \$8.4M. Moreover, \$4.8M of prior year accounts payable were also paid in order to decrease liabilities.

The major cash management challenges of the previous months and the increasing deficit have limited the cash available for tax refunds. As a result, this government has not been able to keep pace with the required payments for tax refunds. Consequently, it is unfortunate that a limited amount of tax refunds could be paid out. However, this administration recognized the need to resume the payments for refunds and directed DOA to identify funds for payment of this obligation using our limited cash resources.

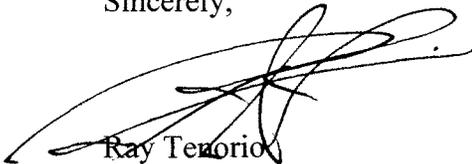
It should be noted that the 9/30/2010 draft financial statements reflect an \$83M FY 2010 deficit for a cumulative General Fund deficit of \$349M. The current cash position dictated the need to find revenue sources with available cash to pay for the additional funding requirements of this proposed legislation. Notwithstanding this concern, I am pleased that the proposed legislation includes language which will provide the tools and the increased flexibility necessary to address critical needs for the operations of the Government of Guam.

The proposed legislation contains a total supplemental request of \$36.6M which includes offsets of \$15.4M and appropriations (\$12.9M) to address funding deficiencies and other requirements of line agencies such as Department of Mental Health & Substance Abuse, Department of Administration, Guam Department of Education and the Guam Fire Department. It also provides for Supplemental Annuity Benefits and Retirees Medicare Premiums. Lastly, the proposed Act appropriates funding to meet the budgetary shortfall for Health/Dental Insurance Benefit Cost for line departments (\$3.3M), Utility Cost Account for Water/Sewer (\$1.3M), COLA judgment interest payments (\$1M) and payments of Prior Year Overtime owed to officers of the Guam Police Department and the Department of Corrections (\$2M). It should be noted that the U.S. Department of Labor is imposing a penalty for non-payment of these overtime expenditures.

The OPA, in their Government of Guam Liabilities Assessment report, found government of Guam overpaid the Retirement Fund of up to \$18.1M. The OPA recommended that such amount be used to offset existing liabilities to the GGRF. Thus, based on the OPA findings, we are proposing this solution to fund the requirements of the outstanding debt of Guam Memorial Hospital Authority to GGRF for a portion of current and prior contributions, and the underfunded retirees' Medical/Dental/Life Insurance cost. By using this funding solution, in accordance with the law, no cash will leave the GGRF.

Madam Speaker, I attest to the importance of moving this proposed legislation forward with the objective of helping our government address its current fiscal year financial requirements. In this regard, I will continue to work in cooperation with *I Liheslaturan Guåhan* and ask for your continued support in the coming months to effectuate lasting and meaningful changes in our government and how it serves our people.

Sincerely,



Ray Tenorio
I Maga'lahaen Guåhan Para Pa'go
Acting Governor of Guam

Enclosure

I MINA'TRENTAI UNU NA LIHESLATURAN GUÅHAN
THIRTY FIRST GUAM LEGISLATURE
2011 (SECOND) REGULAR SESSION

BILL NO. _____ **(LS)**

Introduced by:

**at the request of *I Maga'lahaen Guåhan*,
the Governor of Guam, in accordance
with the Organic Act of Guam.**

**AN ACT TO PROVIDE SUPPLEMENTAL
APPROPRIATIONS FOR THE OPERATIONS OF
THE EXECUTIVE BRANCH OF THE
GOVERNMENT OF GUAM FOR FISCAL YEAR
ENDING SEPTEMBER 30, 2011; AND FOR OTHER
PURPOSES.**

1 BE IT ENACTED BY THE PEOPLE OF GUAM:

2 Section 1. Findings and Intent. *I Liheslaturan Guåhan* has been presented
3 with the Supplemental Appropriations Act of 2011 which is intended to relieve mounting
4 demands placed upon many of our essential government agencies. Budget shortfalls for
5 various programs and agencies are expected as the current budgeted levels are lower than
6 what had been requested for operational requirements. There is a projected shortfall for
7 Medical/Dental/Life insurance for both the retirees and line-agencies and this funding
8 deficiency was confirmed by the Department of Administration and the Bureau of Budget
9 and Management Research and further affirmed by the Office of Public Accountability.
10 The contract for health insurance had been approved and in effect providing coverage for
11 government of Guam employees. *I Liheslaturan Guåhan* further recognizes the fact that
12 the passage of the Fiscal Year 2011 Budget Act occurred in August, and prior to the

1 implementation of the newly negotiated rates, making it difficult to enact corresponding
2 budgetary adjustments into law as all projected revenues available for appropriations had
3 already been allocated. As such, it is necessary to supplement the existing health
4 insurance appropriation in order to continue providing health care coverage to retirees,
5 employees and their families. The provision of funds for this request will avert the
6 termination of medical coverage by mid-June.

7 The Department of Administration had reported the following monthly cash
8 positions:

9 October of this fiscal year began with a negative \$2.2M cash balance. In that
10 month, \$42M in General Fund and Special Funds were paid out for prior year payables.
11 In addition, \$1.7M was paid back to a restricted account and this ended the month with a
12 negative \$18.3M cash balance. November ended with a negative \$14.3M cash balance,
13 which prompted the financial institution to advise DOA to reduce its cash float.
14 December ended with a negative \$3.2M cash balance, which included \$8.4M in inter-
15 fund borrowings that, without the borrowing, would have increased the end balance to a
16 negative \$10.5M. As a result, the impact was reflected in the substantial non-payment of
17 subsidies to the autonomous and semi-autonomous agencies, limited vendor payables and
18 significantly reduced pay-outs for tax refunds. It should be noted that in December, tax
19 refunds ceased to be paid out two weeks before the end of the month.

20 January ended with a negative \$2.8M cash balance. From revenues collected in
21 this month, it afforded us the opportunity to embark on a new fiscal policy and to restore
22 the inter-fund borrowings of \$8.4M. Moreover, \$4.8M of prior year accounts payable
23 were also paid in order to decrease liabilities.

1 The major cash management challenges of the previous months and the increasing
2 deficit have limited the cash available for tax refunds. As a result, this government has
3 not been able to keep pace with the required payments for tax refunds. Consequently, it
4 is unfortunate that a limited amount of tax refunds could be paid out. However, this
5 administration recognized the need to resume the payments for refunds and directed DOA
6 to identify funds for payment of this obligation using our limited cash resources.

7 *I Liheslaturan Guåhan* notes that the September 30, 2010 draft financial
8 statements reflect an increase in the General Fund deficit of \$83M for FY 2010, thus
9 increasing the cumulative General Fund deficit to \$349M. *I Liheslaturan Guåhan* finds
10 that the current cash position dictates the need to find revenue sources with available cash
11 to pay for the additional funding requirements of this Act.

12 The current cash challenges dictated the need for the use of non-traditional
13 sources. The Bureau of Budget and Management Research, the Department of Revenue
14 and Taxation and the Department of Administration had explored all available funding
15 sources and identified the non-traditional revenue and funding options contained in this
16 Act.

17 **Section 2. Short Title.** This Act *shall* be known as the "***Supplemental***
18 ***Appropriations Act of 2011***". *Except* as otherwise provided by this Act, the
19 appropriations made by this Act shall be available to pay for obligations incurred on *or*
20 after October 1, 2010 but *no later than* September 30, 2011. *If* any appropriation in this
21 Act is found contrary to federal law, all other portions of this Act *shall* remain valid.

22 **Section 3. Overpayment of Interest Payment to Government of Guam**
23 **Retirement Fund (GGRF).** Pursuant to the Government of Guam Liabilities

1 Assessment October 2008 through March 2011 report from the Office of Public
2 Accountability, up to \$18.1M in interest payments had been overpaid to the GGRF for
3 outstanding and past due retirement contributions of Guam Memorial Hospital Authority
4 (GMHA) and Guam Department of Education (GDOE). As such, the following
5 appropriations are made from the General Fund, which shall be offset as provided in
6 subsection (c) of this section.

7 **a)** The sum of Eight Million One Hundred Forty Two Thousand Two Hundred
8 Sixty Seven Dollars (**\$8,142,267**) is appropriated to supplement the appropriation made
9 in Section 2(f) of Chapter XI of Public Law 30-196 for Retirees' Medical/Dental/Life
10 Premiums.

11 **b)** The sum of Seven Million Three Hundred Thousand Dollars (**\$7,300,000**) is
12 appropriated to the Guam Memorial Hospital Authority for payment of the
13 employee/employer contribution share of the Guam Memorial Hospital Authority to the
14 Government of Guam Retirement Fund.

15 **c)** The GGRF will not use its existing financial resources to make the payments
16 for the appropriations contained in Subsections (a) and (b) of this Section. Pursuant to
17 this Section, the General Fund will make the payments for the appropriations in this
18 Section and will offset its receivables, due from GGRF, with its liabilities to the GGRF
19 for current fiscal year government contributions of departments and agencies until the
20 sum of \$15,442,267 is fully realized. The government contributions for departments and
21 agencies shall be offset from the overpayments to the GGRF. The DOA and the GGRF
22 will document this offset in a formal manner.

1 **Section 4. Base Operational Appropriations.** The following Base
 2 Operational Appropriations, as reflected below in sub-items (a) through (o), are hereby
 3 adjusted as follows:

4 **(a)** Section 2 of Part II of Chapter III of Public Law 30-196, as *amended* by Section
 5 3(f)(6) of Public Law 30-224, is hereby *repealed* and *reenacted* to read:

6 **“Section 2. Appropriation.** Funds provided in this Section are hereby
 7 appropriated and authorized out of the General Fund, Special Funds and Federal
 8 Matching Grants-in-Aid to the Department of Public Health and Social Services
 9 for its operations in Fiscal Year 2011. This appropriation *shall* be expended in
 10 accordance with the object class allocations outlined below.

11 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

12	APPROP. CLASS	OBJECT CLASS	GENERAL FUND	SPECIAL FUND	TOTAL
13	REG SALARIES	111	\$2,741,052	\$3,973,319	\$6,714,371
14	OT/SP	112	\$0	\$0	\$0
15	BENEFITS	113	\$968,957	\$1,304,368	\$2,273,325
16	TRAVEL/MILE	220	\$42,156	\$12,750	\$54,906
17	CONT. SERV.	230	\$9,233,747	\$766,696	\$10,000,443
18	OFF. RENTAL	233	\$471,605	\$162,600	\$634,205
19	SUP. & MAT.	240	\$71,790	\$331,042	\$402,832
20	EQUIPMENT	250	\$9,899	\$0	\$9,899
21	WRK. COMP.	270	\$0	\$0	\$0
22	DRUG TEST	271	\$150	\$0	\$150
23	SUBGRANT	280	\$0	\$0	\$0
24	MISC	290	\$19,385,809	\$200,000	\$19,585,809
25	POWER	361	\$0	\$0	\$0
26	WATER/SEWER	362	\$0	\$0	\$0
27	PHONE/TOLL	363	\$428,951	\$20,412	\$449,363
28	CAP. OTLY.	450	\$0	\$0	\$0
29	GR. TOTAL		\$33,354,116	\$6,771,187	\$40,125,303

1 **Healthy Futures Fund - \$6,044,365 (111-\$3,614,831; 113-\$1,173,741; 230-**
2 **\$544,189; 233-\$162,600; 240-\$328,592; 290-\$200,000; 363-\$20,412)**

3 **Environmental Health Fund - \$726,822 (111-\$358,488; 113-\$130,627;**
4 **220-\$12,750; 230-\$222,507; 240-\$2,450)**

5 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING SOURCE**

6	GENERAL FUND	\$33,354,116
7	FEDERAL MATCHING GRANTS-IN-AID	\$25,914,601
8	SPECIAL FUNDS	<u>\$6,771,187</u>
9	TOTAL	\$66,039,904”

10 **(b) Section 2 of Part III of Chapter III of Public Law 30-196, is hereby *repealed* and**
11 ***reenacted* to read:**

12 **“Section 2. Appropriation.** Funds provided in this Section are hereby
13 appropriated and authorized out of the General Fund, Special Funds and Federal
14 Matching Grants-in-Aid to the DMHSA for its operations in Fiscal Year 2011.
15 This appropriation *shall* be expended in accordance with the object class
16 allocations outlined below.

17 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

18	APPROP. CLASS	OBJECT CLASS	GENERAL FUND	SPECIAL FUND	TOTAL
19	REG SALARIES	111	\$3,008,163	\$2,187,851	\$5,196,014
20	OT/SP	112	\$54,865	\$30,200	\$85,065
21	BENEFITS	113	\$940,058	\$670,304	\$1,610,362
22	TRAVEL/MILE	220	\$0	\$0	\$0
23	CONT. SERV.	230	\$4,290,374	\$254,075	\$4,544,449
24	OFF. RENTAL	233	\$96,660	\$0	\$96,660
25	SUP. & MAT.	240	\$3,016	\$1,041,169	\$1,044,185
26	EQUIPMENT	250	\$19,100	\$143,339	\$162,439
27	WRK. COMP.	270	\$0	\$0	\$0
28	DRUG TEST	271	\$0	\$0	\$0
29	SUBGRANT	280	\$0	\$0	\$0
30	MISC	290	\$79,260	\$509,000	\$588,260

1	POWER	361	\$0	\$0	\$0
2	WATER/SEWER	362	\$0	\$0	\$0
3	PHONE/TOLL	363	\$100,250	\$0	\$100,250
4	CAP. OTLY	450	\$0	\$165,000	\$165,000
5	<u>GR. TOTAL</u>		<u>\$8,591,746</u>	<u>\$5,000,938</u>	<u>\$13,592,684</u>

6 **Healthy Futures Fund \$5,000,938**

7 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING SOURCE**

8	GENERAL FUND			\$8,591,746	
9	FEDERAL MATCHING GRANTS-IN-AID			\$0	
10	SPECIAL FUNDS			<u>\$5,000,938</u>	
11	TOTAL				\$13,592,684

12 (c) Section 2 of Part IV of Chapter III of Public Law 30-196, is hereby *repealed* and
13 *reenacted* to read:

14 **“Section 2. Appropriation.** Funds provided in this Section are hereby
15 appropriated and authorized out of General Fund, Special Funds and Federal
16 Matching Grants-in-Aid to the DISID for its operations in Fiscal Year 2011. This
17 appropriation *shall* be expended in accordance with object class allocations
18 outlined below.

19 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

20	APPROP. CLASS	OBJECT CLASS	GENERAL FUND	SPECIAL FUND	TOTAL
21	REG SALARIES	111	\$417,366	\$0	\$417,366
22	OT/SP	112	\$0	\$0	\$0
23	BENEFITS	113	\$129,869	\$0	\$129,869
24	TRAVEL/MILE	220	\$0	\$0	\$0
25	CONT. SERV.	230	\$68,040	\$513,881	\$581,921
26	OFF. RENTAL	233	\$118,128	\$0	\$118,128
27	SUP. & MAT.	240	\$4,000	\$0	\$4,000
28	EQUIPMENT	250	\$0	\$0	\$0
29	WRK. COMP.	270	\$0	\$0	\$0
30	DRUG TEST	271	\$0	\$0	\$0

1	SUBGRANT	280	\$0	\$0	\$0
2	MISC	290	\$609,955	\$0	\$609,955
3	POWER	361	\$0	\$0	\$0
4	WATER/SEWER	362	\$0	\$0	\$0
5	PHONE/TOLL	363	\$15,500	\$0	\$15,500
6	CAP. OTLY.	450	\$0	\$0	\$0
7	<u>GR. TOTAL</u>		<u>\$1,362,858</u>	<u>\$513,881</u>	<u>\$1,876,739</u>

8 **Healthy Futures Fund \$513,881**

9 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING SOURCE**

10	GENERAL FUND			\$1,362,858
11	FEDERAL MATCHING GRANTS-IN-AID			\$2,992,651
12	SPECIAL FUNDS			<u>\$513,881</u>
13	TOTAL			\$4,869,390”

14 **(d)** Section 2(a) of Chapter V of Public Law 30-196, as *amended* by Section 3(d) iii
 15 of Public Law 30-224, is hereby *repealed* and *reenacted* to read:

16 **“(a) OFFICE OF I MAGA’LAHI**

17 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

18	APPROP. CLASS	OBJECT CLASS	GENERAL FUND	SPECIAL FUND	TOTAL
19	REG SALARIES	111	\$3,730,124	\$239,673	\$3,969,797
20	OT/SP	112	\$0	\$0	\$0
21	BENEFITS	113	\$1,317,651	\$79,930	\$1,397,581
22	TRAVEL/MILE	220	\$0	\$42,500	\$42,500
23	CONT. SERV.	230	\$920,000	\$7,500	\$927,500
24	OFF. RENTAL	233	\$35,000	\$0	\$35,000
25	SUP. & MAT.	240	\$70,633	\$3,500	\$74,133
26	EQUIPMENT	250	\$52,105	\$0	\$52,105
27	WRK. COMP.	270	\$0	\$0	\$0
28	DRUG TEST	271	\$3,750	\$0	\$3,750
29	SUBGRANT	280	\$0	\$0	\$0
30	MISC	290	\$71,993	\$7,500	\$79,493
31	POWER	361	\$0	\$0	\$0
32	WATER/SEWER	362	\$0	\$0	\$0
33	PHONE/TOLL	363	\$91,000	\$7,500	\$98,500

1	CAP. OTLY.	450	\$75,000	\$0	\$75,000
2	<u>GR. TOTAL</u>		<u>\$6,367,256</u>	<u>\$388,103</u>	<u>\$6,755,359</u>

3 **Indirect Cost Fund \$388,103**

4 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING SOURCE**

5	GENERAL FUND				\$6,367,256
6	FEDERAL MATCHING GRANTS-IN-AID				\$0
7	SPECIAL FUNDS				<u>\$388,103</u>
8	TOTAL				\$6,755,359”

9 (e) Section 2(b) of Chapter V of Public Law 30-196, is hereby *repealed* and
10 *reenacted* to read:

11 **“(b) ANCESTRAL LANDS COMMISSION**

12 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

13	APPROP. CLASS	OBJECT CLASS	GENERAL FUND	SPECIAL FUND	TOTAL
14	REG SALARIES	111	\$139,565	\$0	\$139,565
15	OT/SP	112	\$0	\$0	\$0
16	BENEFITS	113	\$45,581	\$0	\$45,581
17	TRAVEL/MILE	220	\$0	\$0	\$0
18	CONT. SERV.	230	\$2,204	\$0	\$2,204
19	OFF. RENTAL	233	\$36,034	\$0	\$36,034
20	SUP. & MAT.	240	\$500	\$0	\$500
21	EQUIPMENT	250	\$0	\$0	\$0
22	WRK. COMP.	270	\$0	\$0	\$0
23	DRUG TEST	271	\$0	\$0	\$0
24	SUBGRANT	280	\$0	\$0	\$0
25	MISC	290	\$0	\$0	\$0
26	POWER	361	\$0	\$0	\$0
27	WATER/SEWER	362	\$0	\$0	\$0
28	PHONE/TOLL	363	\$3,000	\$0	\$3,000
29	CAP. OTLY.	450	\$0	\$0	\$0
30	<u>GR. TOTAL</u>		<u>\$226,884</u>	<u>\$0</u>	<u>\$226,884</u>

31 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING SOURCE**

32	GENERAL FUND				\$226,884
33	FEDERAL MATCHING GRANTS-IN-AID				\$0

1	SPECIAL FUNDS	<u>\$0</u>
2	TOTAL	\$226,884”

3 (f) Section 2(c) of Chapter V of Public Law 30-196, is hereby *repealed* and
 4 *reenacted* to read:

5 **“(c) BUREAU OF BUDGET AND MANAGEMENT RESEARCH**
 6 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

7	APPROP. CLASS	OBJECT CLASS	GENERAL FUND	SPECIAL FUND	TOTAL
8	REG SALARIES	111	\$222,878	\$324,754	\$547,632
9	OT/SP	112	\$0	\$0	\$0
10	BENEFITS	113	\$56,031	\$114,116	\$170,147
11	TRAVEL/MILE	220	\$0	\$0	\$0
12	CONT. SERV.	230	\$13,170	\$0	\$13,170
13	OFF. RENTAL	233	\$0	\$0	\$0
14	SUP. & MAT.	240	\$2,000	\$0	\$2,000
15	EQUIPMENT	250	\$0	\$0	\$0
16	WRK. COMP.	270	\$0	\$0	\$0
17	DRUG TEST	271	\$0	\$0	\$0
18	SUBGRANT	280	\$0	\$0	\$0
19	MISC	290	\$0	\$0	\$0
20	POWER	361	\$0	\$0	\$0
21	WATER/SEWER	362	\$0	\$0	\$0
22	PHONE/TOLL	363	\$14,334	\$0	\$14,334
23	CAP. OTLY.	450	\$0	\$0	\$0
24	GR. TOTAL		\$308,413	\$438,870	\$747,283

25 **Indirect Cost Fund \$438,870**

26 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING SOURCE**

27	GENERAL FUND	\$308,413
28	FEDERAL MATCHING GRANTS-IN-AID	\$0
29	SPECIAL FUNDS	<u>\$438,870</u>
30	TOTAL	\$747,283”

1 (g) Section 2(e) of Chapter V of Public Law 30-196, is hereby *repealed* and
 2 *reenacted* to read:

3 **“(e) DEPARTMENT OF ADMINISTRATION**
 4 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

5	APPROP. CLASS	OBJECT CLASS	GENERAL FUND	SPECIAL FUND	TOTAL
6	REG SALARIES	111	\$4,359,597	\$247,653	\$4,607,250
7	OT/SP	112	\$3,392	\$0	\$3,392
8	BENEFITS	113	\$1,476,544	\$86,643	\$1,563,187
9	TRAVEL/MILE	220	\$0	\$0	\$0
10	CONT. SERV.	230	\$813,247	\$0	\$813,247
11	OFF. RENTAL	233	\$0	\$0	\$0
12	SUP. & MAT.	240	\$44,237	\$4,073	\$48,310
13	EQUIPMENT	250	\$5,000	\$0	\$5,000
14	WRK. COMP.	270	\$0	\$0	\$0
15	DRUG TEST	271	\$0	\$0	\$0
16	SUBGRANT	280	\$0	\$0	\$0
17	MISC	290	\$0	\$0	\$0
18	POWER	361	\$0	\$0	\$0
19	WATER/SEWER	362	\$0	\$0	\$0
20	PHONE/TOLL	363	\$539,000	\$0	\$539,000
21	CAP. OTLY.	450	\$0	\$0	\$0
22	GR. TOTAL		\$7,241,017	\$338,369	\$7,579,386

23 **Indirect Cost Fund \$338,369**

24 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING SOURCE**

25	GENERAL FUND	\$7,241,017
26	FEDERAL MATCHING GRANTS-IN-AID	\$0
27	SPECIAL FUNDS	<u>\$338,369</u>
28	TOTAL	\$7,579,386”

29 (h) Section 2(e)(11) of Chapter V of Public Law 30-196, as amended by Section 3 (f)
 30 (9) of Public Law 30-224, is hereby *repealed* and *reenacted* to read:

1 “(11) **Appropriation for Bank Fees and the Department of**
2 **Administration.** The sum of Two Million Eight Hundred Twenty Seven
3 Thousand Nine Hundred Thirty Nine Dollars **(\$2,827,939)** is hereby
4 appropriated from the General Fund to the Department of Administration
5 for payments of projected annual bank fees.

6 The government of Guam through the Department of Administration
7 shall contract with a third party provider whereby collections of non-cash
8 payments received are processed. The third party service provider shall
9 remit the full value of the liability owed by the payer to the government of
10 Guam. The third party service provider shall have the ability to accept
11 non-cash payments received and charge necessary fees related to the
12 processing of the payments.

13 The Director of the Department of Administration shall provide a
14 report to *I Maga'lahaen Guåhan* and the Speaker of *I Liheslaturan Guåhan*
15 by July 15, 2011 on the status of the bank fees paid to date and the
16 remaining balance to be paid at year end and the mandate with respect to
17 the third party provider set forth in this Section.”

18 (i) Section 2(i) of Chapter V of Public Law 30-196, is hereby *repealed* and *reenacted*
19 to read:

20 “(i) **DEPARTMENT OF PUBLIC WORKS**

21 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

22	APPROP. CLASS	OBJECT CLASS	GENERAL FUND	SPECIAL FUND	TOTAL
23	REG SALARIES	111	\$5,811,315	\$6,329,923	\$12,141,238
24	OT/SP	112	\$0	\$59,712	\$59,712
25	BENEFITS	113	\$1,826,129	\$2,140,856	\$3,966,985

1	TRAVEL/MILE	220	\$0	\$0	\$0
2	CONT. SERV.	230	\$101,971	\$2,718,851	\$2,820,822
3	OFF. RENTAL	233	\$0	\$0	\$0
4	SUP. & MAT.	240	\$907,140	\$1,704,435	\$2,611,575
5	EQUIPMENT	250	\$0	\$635,070	\$635,070
6	WRK. COMP.	270	\$0	\$6,000	\$6,000
7	DRUG TEST	271	\$0	\$0	\$0
8	SUBGRANT	280	\$0	\$0	\$0
9	MISC	290	\$0	\$5,250	\$5,250
10	POWER	361	\$0	\$0	\$0
11	WATER/SEWER	362	\$0	\$0	\$0
12	PHONE/TOLL	363	\$45,741	\$72,135	\$117,876
13	CAP. OTLY.	450	\$18,000	\$510,000	\$528,000
14	<u>GR. TOTAL</u>		<u>\$8,710,296</u>	<u>\$14,182,232</u>	<u>\$22,892,528</u>

15 **DPW Building & Design Fund \$541,175 (111-\$293,980; 113-\$88,777; 230-\$60,664;**
16 **240-\$7,684; 250-\$40,070; 450-\$50,000)**

17 **Solid Waste Operations Fund \$6,211,816 (111-\$1,384,680; 112-\$59,712; 113-**
18 **\$496,767; 230-\$2,215,236; 240-\$1,003,380; 250-\$575,000; 270-\$5,000; 363-\$12,041;**
19 **450-\$460,000)**

20 **Guam Highway Fund \$7,429,241 (111-\$4,651,263; 113-\$1,555,312; 230-**
21 **\$442,951; 240-\$693,371; 250-\$20,000; 270-\$1,000; 290-\$5,250; 363-\$60,094)**

22 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING SOURCE**

23	GENERAL FUND		\$8,710,296	
24	FEDERAL MATCHING GRANTS-IN-AID		\$0	
25	SPECIAL FUNDS		<u>\$14,182,232</u>	
26	TOTAL			\$22,892,528"

27 **(j)** Section 2(l) of Chapter V of Public Law 30-196, is hereby *repealed* and *reenacted*

28 to read:

29 **“(l) GUAM POLICE DEPARTMENT**

30 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

31	APPROP. CLASS	OBJECT CLASS	GENERAL FUND	SPECIAL FUND	TOTAL
32	REG SALARIES	111	\$15,261,846	\$0	\$15,261,846

1	OT/SP	112	\$1,383,791	\$0	\$1,383,791
2	BENEFITS	113	\$4,605,895	\$0	\$4,605,895
3	TRAVEL/MILE	220	\$0	\$0	\$0
4	CONT. SERV.	230	\$232,200	\$511,790	\$743,990
5	OFF. RENTAL	233	\$91,876	\$0	\$91,876
6	SUP. & MAT.	240	\$306,849	\$58,320	\$365,169
7	EQUIPMENT	250	\$0	\$0	\$0
8	WRK. COMP.	270	\$17,017	\$0	\$17,017
9	DRUG TEST	271	\$0	\$0	\$0
10	SUBGRANT	280	\$0	\$0	\$0
11	MISC	290	\$147,300	\$0	\$147,300
12	POWER	361	\$0	\$0	\$0
13	WATER/SEWER	362	\$0	\$0	\$0
14	PHONE/TOLL	363	\$273,166	\$0	\$273,166
15	CAP. OTLY.	450	\$0	\$0	\$0
16	<u>GR. TOTAL</u>		<u>\$22,319,940</u>	<u>\$570,110</u>	<u>\$22,890,050</u>

17 **Police Services Fund \$570,110**

18 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING SOURCE**

19	GENERAL FUND	\$22,319,940
20	FEDERAL MATCHING GRANTS-IN-AID	\$0
21	SPECIAL FUNDS	<u>\$570,110</u>
22	TOTAL	\$22,890,050"

23 (k) Section 2(m) of Chapter V of Public Law 30-196, is hereby *repealed* and

24 *reenacted* to read:

25 **“(m) DEPARTMENT OF CORRECTIONS**

26 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

27	APPROP. CLASS	OBJECT CLASS	GENERAL FUND	SPECIAL FUND	TOTAL
28	REG SALARIES	111	\$8,263,985	\$0	\$8,263,985
29	OT/SP	112	\$1,173,908	\$0	\$1,173,908
30	BENEFITS	113	\$2,469,881	\$0	\$2,469,881
31	TRAVEL/MILE	220	\$0	\$0	\$0
32	CONT. SERV.	230	\$2,056,504	\$1,063,662	\$3,120,166

1	OFF. RENTAL	233	\$114,000	\$0	\$114,000
2	SUP. & MAT.	240	\$102,515	\$96,000	\$198,515
3	EQUIPMENT	250	\$0	\$0	\$0
4	WRK. COMP.	270	\$0	\$0	\$0
5	DRUG TEST	271	\$0	\$0	\$0
6	SUBGRANT	280	\$0	\$0	\$0
7	MISC	290	\$79,800	\$0	\$79,800
8	POWER	361	\$0	\$0	\$0
9	WATER/SEWER	362	\$0	\$0	\$0
10	PHONE/TOLL	363	\$70,000	\$0	\$70,000
11	CAP. OTLY.	450	\$0	\$0	\$0
12	<u>GR. TOTAL</u>		<u>\$14,330,593</u>	<u>\$1,159,662</u>	<u>\$15,490,255</u>

13 **DOC Revolving Fund \$1,063,662 (230-\$1,063,662)**

14 **Safe Streets Fund \$96,000 (\$240-\$96,000)**

15 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING SOURCE**

16	GENERAL FUND	\$14,330,593
17	FEDERAL MATCHING GRANTS-IN-AID	\$0
18	SPECIAL FUNDS	<u>\$1,159,662</u>
19	TOTAL	\$15,490,255”

20 **(l)** Section 2(p) of Chapter V of Public Law 30-196, is hereby *repealed* and
 21 *reenacted* to read:

22 **“(p) DEPARTMENT OF YOUTH AFFAIRS**

23 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

24	APPROP. CLASS	OBJECT CLASS	GENERAL FUND	SPECIAL FUND	TOTAL
25	REG SALARIES	111	\$2,606,539	\$103,902	\$2,710,441
26	OT/SP	112	\$138,418	\$0	\$138,418
27	BENEFITS	113	\$713,319	\$38,185	\$751,504
28	TRAVEL/MILE	220	\$0	\$0	\$0
29	CONT. SERV.	230	\$555,488	\$26,122	\$581,610
30	OFF. RENTAL	233	\$0	\$0	\$0
31	SUP. & MAT.	240	\$82,870	\$21,590	\$104,460
32	EQUIPMENT	250	\$0	\$9,410	\$9,410

1	WRK. COMP.	270	\$0	\$0	\$0
2	DRUG TEST	271	\$0	\$0	\$0
3	SUBGRANT	280	\$0	\$0	\$0
4	MISC	290	\$0	\$0	\$0
5	POWER	361	\$0	\$0	\$0
6	WATER/SEWER	362	\$0	\$0	\$0
7	PHONE/TOLL	363	\$66,205	\$0	\$66,205
8	CAP. OTLY.	450	\$0	\$0	\$0
9	GR. TOTAL		\$4,162,839	\$199,209	\$4,362,048

10 **Healthy Futures Fund \$199,209**

11 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING SOURCE**

12	GENERAL FUND	\$4,162,839
13	FEDERAL MATCHING GRANTS-IN-AID	\$0
14	SPECIAL FUNDS	<u>\$199,209</u>
15	TOTAL	\$4,362,048"

16 **(m)**Section 2(t) of Chapter V of Public Law 30-196, is hereby *repealed* and *reenacted*
17 to read:

18 **“(s) DEPARTMENT OF LAND MANAGEMENT**

19 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

20	APPROP. CLASS	OBJECT CLASS	GENERAL FUND	SPECIAL FUND	TOTAL
21	REG SALARIES	111	\$0	\$1,877,352	\$1,877,352
22	OT/SP	112	\$0	\$0	\$0
23	BENEFITS	113	\$0	\$644,094	\$644,094
24	TRAVEL/MILE	220	\$0	\$0	\$0
25	CONT. SERV.	230	\$0	\$340,277	\$340,277
26	OFF. RENTAL	233	\$243,223	\$376,460	\$619,683
27	SUP. & MAT.	240	\$0	\$27,972	\$27,972
28	EQUIPMENT	250	\$0	\$0	\$0
29	WRK. COMP.	270	\$0	\$0	\$0
30	DRUG TEST	271	\$0	\$0	\$0
31	SUBGRANT	280	\$0	\$0	\$0
32	MISC	290	\$0	\$7,200	\$7,200

1	POWER	361	\$0	\$0	\$0
2	WATER/SEWER	362	\$0	\$0	\$0
3	PHONE/TOLL	363	\$0	\$22,693	\$22,693
4	CAP. OTLY.	450	\$0	\$0	\$0
5	<u>GR. TOTAL</u>		<u>\$243,223</u>	<u>\$3,296,048</u>	<u>\$3,539,271</u>

6 **Land Survey Revolving Fund \$3,296,048**

7 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING SOURCE**

8	GENERAL FUND	\$243,223
9	FEDERAL MATCHING GRANTS-IN-AID	\$0
10	SPECIAL FUNDS	<u>\$3,296,048</u>
11	TOTAL	\$3,539,271”

12 (n) Section 2(u) of Chapter V of Public Law 30-196, is hereby *repealed* and
13 *reenacted* to read:

14 **“(u) CHIEF MEDICAL EXAMINER**

15 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

16	APPROP. CLASS	OBJECT CLASS	GENERAL FUND	SPECIAL FUND	TOTAL
17	REG SALARIES	111	\$286,685	\$0	\$286,685
18	OT/SP	112	\$0	\$0	\$0
19	BENEFITS	113	\$84,041	\$0	\$84,041
20	TRAVEL/MILE	220	\$4,500	\$0	\$4,500
21	CONT. SERV.	230	\$44,820	\$0	\$44,820
22	OFF. RENTAL	233	\$0	\$0	\$0
23	SUP. & MAT.	240	\$4,780	\$0	\$4,780
24	EQUIPMENT	250	\$0	\$0	\$0
25	WRK. COMP.	270	\$0	\$0	\$0
26	DRUG TEST	271	\$0	\$0	\$0
27	SUBGRANT	280	\$0	\$0	\$0
28	MISC	290	\$35	\$0	\$35
29	POWER	361	\$0	\$0	\$0
30	WATER/SEWER	362	\$0	\$0	\$0
31	PHONE/TOLL	363	\$2,574	\$0	\$2,574
32	CAP. OTLY.	450	\$0	\$0	\$0

1	<u>GR. TOTAL</u>	\$427,435	\$0	\$427,435
2	SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING SOURCE			
3	GENERAL FUND			\$427,435
4	FEDERAL MATCHING GRANTS-IN-AID			\$0
5	SPECIAL FUNDS			<u>\$0</u>
6	TOTAL			\$427,435”

7 (o) Section 2(aa) of Chapter V of Public Law 30-196, as *amended* by Section 3(f)(4)
8 of Public Law 30-224, is hereby *repealed* and *reenacted* to read:

9 **“(aa) GUAM FIRE DEPARTMENT**

10 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

11	APPROP. CLASS	OBJECT CLASS	GENERAL FUND	SPECIAL FUND	TOTAL
12	REG SALARIES	111	\$14,645,452	\$1,009,830	\$15,655,282
13	OT/SP	112	\$2,582,139	\$56,105	\$2,638,244
14	BENEFITS	113	\$5,290,353	\$335,329	\$5,625,682
15	TRAVEL/MILE	220	\$0	\$0	\$0
16	CONT. SERV.	230	\$296,154	\$160,000	\$456,154
17	OFF. RENTAL	233	\$115,000	\$0	\$115,000
18	SUP. & MAT.	240	\$244,959	\$92,296	\$337,255
19	EQUIPMENT	250	\$0	\$257,024	\$257,024
20	WRK. COMP.	270	\$8,786	\$0	\$8,786
21	DRUG TEST	271	\$0	\$0	\$0
22	SUBGRANT	280	\$0	\$0	\$0
23	MISC	290	\$96,000	\$10,050	\$106,050
24	POWER	361	\$0	\$0	\$0
25	WATER/SEWER	362	\$0	\$0	\$0
26	PHONE/TOLL	363	\$45,000	\$48,000	\$93,000
27	CAP. OTLY.	450	\$0	\$112,890	\$112,890
28	<u>GR. TOTAL</u>		<u>\$23,323,843</u>	<u>\$2,081,524</u>	<u>\$25,405,367</u>

29 **Enhanced 911 Emergency Reporting System Fund \$1,428,500 (111-\$547,830; 112-**
30 **\$56,105; 113-\$197,329; 230-\$150,000; 240-\$82,296; 250-\$224,000; 290-\$10,050; 363-**
31 **\$48,000; 450-\$112,890)**

32 **Fire, Life and Medical Emergency Fund \$653,024 (111-\$462,000; 113-\$138,000;**

1 230-\$10,000; 240-\$10,000; 250-\$33,024)

2 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING SOURCE**

3 GENERAL FUND	\$23,323,843
4 FEDERAL MATCHING GRANTS-IN-AID	\$0
5 SPECIAL FUNDS	<u>\$2,081,524</u>
6 TOTAL	\$25,405,367”

7 **Section 5. Appropriations to Retirees for Supplemental Annuity Benefits**

8 **and for Other Costs.** Section 2 (a) of Chapter XI of Public Law 30-196, is hereby
9 *amended* to read:

10 “(a) The sum of ~~Eleven Million Three Hundred Seventy Five Thousand Dollars~~
11 ~~(\$11,375,000)~~ Eleven Million Six Hundred Ninety Six Thousand Three Hundred
12 Three Dollars (\$11,696,303) is appropriated from the General Fund to the
13 Supplemental Annuity Benefits Special Fund for Fiscal Year 2011 for direct
14 payments to government of Guam retirees who retired *prior* to October 1, 1995,
15 or their survivors, for the continuing payment of Four Thousand Two Hundred
16 Thirty Eight Dollars (\$4,238) per year in supplemental annuity benefits,
17 consisting of the sums of One Thousand Two Hundred Dollars (\$1,200), One
18 Thousand Five Hundred Dollars (\$1,500), Seven Hundred Dollars (\$700), and
19 Eight Hundred Thirty Eight Dollars (\$838) in annual benefits authorized by
20 various General Appropriation Acts.”

21 **Section 6. Appropriation for Retirees’ Medicare Premiums.** Section 2 (h)
22 of Chapter XI of Public Law 30-196, is hereby *amended* to read:

23 “(h) For Fiscal Year 2011, the sum of ~~Seven Hundred Two Thousand Dollars~~
24 ~~(\$702,000)~~ Nine Hundred Eighty Seven Thousand Dollars (\$987,000) is
25 appropriated from the General Fund to the GGRF to pay the cost of Medicare

1 premiums for government of Guam retirees and their survivors domiciled on
2 Guam, and who are eligible to receive Social Security income benefits, and who
3 are eligible to enroll in the Government of Guam Group Health Insurance
4 Program. No government of Guam retiree or their survivor *shall* be required to
5 enroll in the Government of Guam Health Insurance Program in order to receive
6 the reimbursement.”

7 **Section 7. Appropriation for *I Maga’lahi* and *I Segundu na Maga’lahi* / *I***
8 ***Segundu na Maga’haga* Pensions.** Section 2 (i) of Chapter XI of Public Law 30-196, is
9 hereby *amended* to read:

10 “(i) For Fiscal Year 2011, the sum of ~~One Hundred Forty Five Thousand Dollars~~
11 ~~(\$145,000)~~ Two Hundred Ten Thousand Six Hundred Thirty Six Dollars
12 (\$210,636) is appropriated from the General Fund to the GGRF for *I Maga’lahi*
13 and *I Segundu na Maga’lahi*/*I Segundu na Maga’haga* Pensions.”

14 **Section 8. Appropriation for Retirement Annuities for Judges & Justices.**
15 Section 2 (j) of Chapter XI of Public Law 30-196, is hereby *amended* to read:

16 “(j) For Fiscal Year 2011, the sum of ~~Four Hundred Fifty Eight Thousand Four~~
17 ~~Hundred Forty Eight Dollars (\$458,448)~~ Four Hundred Sixty Six Thousand Four
18 Hundred Twenty Nine Dollars (\$466,429) is appropriated from the General Fund
19 to the GGRF for retirement annuities for former judges and justices of the
20 Superior Court and Supreme Court of Guam.”

21 **Section 9. Appropriation to the Department of Administration for the**
22 **Health, Life and Dental Insurance Premiums.** The sum of Three Million Three
23 Hundred Three Thousand Four Hundred Thirty One Dollars (**\$3,303,431**) is appropriated

1 from the General Fund to the Health Benefit Fund administered by the Department of
2 Administration. This appropriation shall supplement the cost of the government of
3 Guam's contribution for Health, Life and Dental Insurance premiums under the
4 Government of Guam's Health Insurance Plan for Fiscal Year 2011, pursuant to the
5 appropriations made under the respective departments'/agencies' Central Cost Accounts
6 provided in Public Law 30-196, as amended by Public Law 30-224.

7 **Section 10. Appropriation to Utility Bank Fund.** The sum of One Million
8 Three Hundred Ten Thousand Dollars (**\$1,310,000**) is appropriated from the General
9 Fund to the Utility Bank Fund as administered by the Department of Administration.
10 This appropriation shall supplement the funding provided for Water/Sewer requirements,
11 made under the respective departments'/agencies' Central Cost Accounts provided in
12 Public Law 30-196, as amended by Public Law 30-224.

13 **Section 11. Appropriation to Guam Police Department for Payment of**
14 **Prior Year Overtime.** Notwithstanding any other provision of law, the sum of Three
15 Hundred Thirty Eight Thousand Four Hundred Ninety Three Dollars (**\$338,493**) is
16 appropriated from the General Fund to the Guam Police Department for the payment of
17 prior year overtime incurred and owed to police officers in Fiscal Year 2010.

18 **Section 12. Appropriation to Department of Corrections for Payment of**
19 **Prior Year Overtime.** Notwithstanding any other provision of law, the sum of One
20 Million Six Hundred Eighty Five Thousand Eight Hundred Thirty Five Dollars
21 (**\$1,685,835**) is appropriated from the General Fund to the Department of Corrections for
22 the payment of prior year overtime incurred and owed to correction officers in Fiscal
23 Year 2010.

1 **Section 13. Appropriation to the Bureau of Information Technology.** The
2 sum of Three Hundred Forty Thousand Dollars (**\$340,000**) is appropriated from the
3 General Fund to the Bureau of Information Technology for the purpose of funding the
4 following:

5 **(a)** The sum of Two Hundred Thousand Dollars (**\$200,000**) for the purpose of
6 contracting services to manage the government of Guam's Consolidated
7 Information Technology (IT) environment, to include server and storage
8 consolidation; and

9 **(b)** The sum of One Hundred Forty Thousand Dollars (**\$140,000**) for the purchase
10 of a three (3)-year license for government of Guam enterprise-wide antivirus
11 protection.

12 **(c)** The unexpended balance of the appropriation made under this Section *shall*
13 *not* revert to the General Fund and *shall* be available until fully expended for
14 the original purposes of said appropriation.

15 **Section 14. Appropriation to the Bureau of Statistics and Plans.** The sum
16 of Two Hundred Thousand Dollars (**\$200,000**) is appropriated from the General Fund to
17 the Bureau of Statistics and Plans for the purpose of funding the following two (2)
18 projects:

19 **a)** The sum of One Hundred Thousand Dollars (**\$100,000**) for the E-Library
20 Project Management that will enable the establishment of electronic web-
21 based search and document retrieval through a document scanning and
22 archival program; and

1 b) The sum of One Hundred Thousand Dollars (**\$100,000**) for Improving
2 Statistical Data Management through Information Technology Project which
3 will address Guam's current fragmented data management and information
4 systems by developing an integrated data framework and strategic plan that
5 will lead toward the establishment of the Guam data bank.

6 c) The unexpended balance of the appropriation made under this Section *shall*
7 *not* revert to the General Fund and *shall* be available until fully expended for
8 the original purposes of said appropriation.

9 **Section 15. Appropriation to the Department of Revenue and Taxation for**
10 **E-Filing.** The sum of Four Hundred Thousand Dollars (**\$400,000**) is appropriated from
11 the General Fund to the Department of Revenue and Taxation for the implementation of
12 the Electronic Filing Program. The unexpended balance of the appropriation made under
13 this Section *shall not* revert to the General Fund and *shall* be available until fully
14 expended for the original purposes of said appropriation.

15 **Section 16. Appropriation to the Department of Education.** The sum of
16 One Million Three Hundred Thousand Dollars (**\$1,300,000**) is appropriated from the
17 General Fund to the Department of Education to supplement its operations for Fiscal
18 Year 2011.

19 **Section 17. Appropriation for COLA Interest Payments.** The sum of One
20 Million Dollars (**\$1,000,000**) is appropriated from the General Fund to the Government
21 of Guam Retirement Fund for partial payment of the Cost of Living Allowance (COLA)
22 judgment interest liability to retirees pursuant to *Rios vs. Camacho*, SP0206-93.

1 **Section 18.** Notwithstanding any other provision of law, the sum of Seven
2 Million Six Hundred Thousand Dollars **(\$7,600,000)** from the balance of the
3 appropriation made in Section 7 Subsection (b) of Chapter XI of Public Law 30-196 shall
4 be de-appropriated and re-appropriated for the appropriations contained in this Act.

5 **Section 19.** Notwithstanding any other provision of law, the following sums
6 received as reimbursements from the United States Internal Revenue Service in Fiscal
7 Year 2011 are hereby transferred into the General Fund and are hereby available for the
8 appropriations contained in this Act:

9	a. State of Legal Residence – Section 30	\$2,300,000
10	b. American Opportunity Credit	\$2,300,000
11	c. Rebate Reimbursement	<u>\$600,000</u>
12	Total	\$5,200,000

13 **Section 20.** Notwithstanding any other provision of law, the unexpended
14 balance in the amount of One Million Dollars **(\$1,000,000)** from the Year 2010 Census
15 contract, between the United States Census Bureau and the government of Guam, shall be
16 deposited into the General Fund for the appropriations contained in this Act.

17 **Section 21.** Notwithstanding any other provision of law, the balance of Four
18 Million Three Hundred Thousand Dollars **(\$4,300,000)** to be reimbursed to the
19 government of Guam for the capital costs incurred by the government of Guam for the
20 construction of the Layon landfill and the closure of the Ordot dump, subject to the
21 approval of the U.S. District Court of Guam for the use of bond funds secured through
22 the issuance of the Government of Guam Limited Obligation (Section 30) Series 2009A

1 bonds, shall be deposited into the General Fund and shall be made available for the
2 appropriations contained in this Act.

3 **Section 22.** Notwithstanding any other provision of law, upon receipt of the
4 reimbursement of One Million Dollars (**\$1,000,000**) from the Bond Reserve Fund for the
5 Limited Obligation Infrastructure Improvement Bonds, 1997 Series A, such funds shall
6 be deposited into the General Fund and shall be made available for the appropriations
7 contained in this Act.

8 **Section 23.** Notwithstanding any other provision of law, the sum of Two
9 Million One Hundred Thousand Dollars (**\$2,100,000**) is hereby appropriated from the
10 Autonomous Agency Collections Fund to the General Fund for the appropriations made
11 in this Act.

12 **Section 24. Authorization for Payment of Prior Year Obligation to Guam**
13 **Memorial Hospital Authority (GMHA).** Notwithstanding any other provision of law,
14 the following line departments and agencies are hereby authorized to pay its prior year
15 obligations to GMHA from its Fiscal Year 2011 appropriations as follows:

16	a. Department of Corrections	\$2,382,272
17	b. Guam Department of Education	\$17,009
18	c. Department of Labor	\$139,928
19	d. Department of Youth Affairs	\$16,807
20	e. Customs and Quarantine Agency	\$2,689
21	f. Guam Fire Department	<u>\$88,697</u>
22	Total	\$2,647,402

1 **Section 25. Authorization for Guam Police Department and Department**
2 **of Corrections to Pay Prior Year Obligations for Overtime.** Notwithstanding any
3 other provision of law, the Department of Corrections and the Guam Police Department
4 are authorized to utilize its Base Operational Appropriations for Fiscal Year 2011 to pay
5 any prior years overtime incurred and owed to its correction and police officers
6 respectively.

7 **Section 26. Authorization to Make Payments of Prior Year Obligations.**
8 Notwithstanding any other provision of law, all government of Guam agencies in
9 Chapters II, III and V of Public Law 30-196, are authorized to utilize its Fiscal Year 2011
10 Base Operational Appropriations to pay for prior years obligations.

11 **Section 27. Transfer Authority of *I Maga'lahaen Guåhan*.** Section 14 of
12 Chapter XIII of Public Law 30-196, is hereby *repealed* and *reenacted* to read:

13 **“Section 14. Transfer Authority of *I Maga'lahaen Guåhan*.** *I Maga'lahaen*
14 *Guåhan* is authorized to transfer funds between Fiscal Year 2011 General Fund
15 Executive Branch appropriations.”

16 **Section 28. Special Fund Transfer.** Section 8 of Chapter XIII of Public Law
17 30-196, is hereby *amended* to read:

18 **“Section 8. Special Fund Transfer.** Unless specified in this Act, *I*
19 *Maga'lahaen Guåhan* is authorized to transfer to the General Fund any cash
20 available from any appropriated Special Fund or Revolving Fund to fund the
21 appropriations authorized by this Act. All cash from Special Funds or Revolving
22 Funds transferred to cover the appropriations authorized by this Act *shall* be
23 promptly reimbursed to the Special or Revolving Fund from which it was

1 withdrawn as cash becomes available. *I Maga'lahaen Guåhan shall* submit a
2 report to the Speaker of *I Liheslaturan Guåhan* on the fifth (5th) day of every
3 month on all transfers made pursuant to this Section. Said report *shall* enumerate
4 the amount of each transfer, identify the funds to and from which the transfer was
5 made and state the purpose of each transfer. Unless otherwise restricted or
6 specifically allowed by this Act, for FY 2011 *I Maga'lahaen Guåhan* is authorized
7 to transfer ~~up to fifteen percent (15%)~~ between object categories within an agency
8 Fiscal Year 2011 Special Fund base operational (*except* the utility funds)
9 appropriations contained in Chapter V and in Parts II, III and IV of Chapter III of
10 this Act; provided that notice of each transfer and justification therefore are
11 delivered within fifteen (15) working days after the transfer is made to the
12 Speaker of *I Liheslaturan Guåhan* and the Office of Finance and Budget.”

13 **Section 29.** Section 3 (c) (5) of Chapter I of Public Law 30-196, is hereby
14 amended to read:

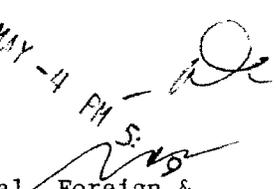
15 “(5) *No less than* fifty percent (50%) of all ACTC reimbursements *shall* be
16 deposited directly into the Income Tax Refund Efficient Payment Trust Fund (Fund), of
17 Chapter 51, Title 11, Guam Code Annotated, and applied to 2008 and prior A Status
18 returns. Interest earned in the Fund may be used to hire seasonal employees to assist with
19 income tax processing; and to hire employees in revenue generating programs.”

20 **Section 30. Severability.** *If* any provisions of this Act or its application to any
21 person or circumstances is held invalid, the invalidity shall *not* affect other provisions or
22 applications of this Act which can be given effect without the invalid provision or
23 application, and to this end the provisions of this Act are severable.

**I MINA'TRENTAI UNU NA LIHESLATURAN GUÅHAN
THIRTY FIRST GUAM LEGISLATURE
2011 (SECOND) REGULAR SESSION**

BILL NO. 184-31 (LS)

Introduced by:

2011 MAY -4 PM 5:15

Committee on Rules; Federal, Foreign &
Micronesian Affairs; and Human & Natural Resources
**at the request of *I Maga'lahaen Guåhan*,
the Governor of Guam, in accordance
with the Organic Act of Guam.**

**AN ACT TO PROVIDE SUPPLEMENTAL
APPROPRIATIONS FOR THE OPERATIONS OF
THE EXECUTIVE BRANCH OF THE
GOVERNMENT OF GUAM FOR FISCAL YEAR
ENDING SEPTEMBER 30, 2011; AND FOR OTHER
PURPOSES.**

1 **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2 **Section 1. Findings and Intent.** *I Liheslaturan Guåhan* has been presented
3 with the Supplemental Appropriations Act of 2011 which is intended to relieve mounting
4 demands placed upon many of our essential government agencies. Budget shortfalls for
5 various programs and agencies are expected as the current budgeted levels are lower than
6 what had been requested for operational requirements. There is a projected shortfall for
7 Medical/Dental/Life insurance for both the retirees and line-agencies and this funding
8 deficiency was confirmed by the Department of Administration and the Bureau of Budget
9 and Management Research and further affirmed by the Office of Public Accountability.
10 The contract for health insurance had been approved and in effect providing coverage for
11 government of Guam employees. *I Liheslaturan Guåhan* further recognizes the fact that
12 the passage of the Fiscal Year 2011 Budget Act occurred in August, and prior to the

1 implementation of the newly negotiated rates, making it difficult to enact corresponding
2 budgetary adjustments into law as all projected revenues available for appropriations had
3 already been allocated. As such, it is necessary to supplement the existing health
4 insurance appropriation in order to continue providing health care coverage to retirees,
5 employees and their families. The provision of funds for this request will avert the
6 termination of medical coverage by mid-June.

7 The Department of Administration had reported the following monthly cash
8 positions:

9 October of this fiscal year began with a negative \$2.2M cash balance. In that
10 month, \$42M in General Fund and Special Funds were paid out for prior year payables.
11 In addition, \$1.7M was paid back to a restricted account and this ended the month with a
12 negative \$18.3M cash balance. November ended with a negative \$14.3M cash balance,
13 which prompted the financial institution to advise DOA to reduce its cash float.
14 December ended with a negative \$3.2M cash balance, which included \$8.4M in inter-
15 fund borrowings that, without the borrowing, would have increased the end balance to a
16 negative \$10.5M. As a result, the impact was reflected in the substantial non-payment of
17 subsidies to the autonomous and semi-autonomous agencies, limited vendor payables and
18 significantly reduced pay-outs for tax refunds. It should be noted that in December, tax
19 refunds ceased to be paid out two weeks before the end of the month.

20 January ended with a negative \$2.8M cash balance. From revenues collected in
21 this month, it afforded us the opportunity to embark on a new fiscal policy and to restore
22 the inter-fund borrowings of \$8.4M. Moreover, \$4.8M of prior year accounts payable
23 were also paid in order to decrease liabilities.

1 The major cash management challenges of the previous months and the increasing
2 deficit have limited the cash available for tax refunds. As a result, this government has
3 not been able to keep pace with the required payments for tax refunds. Consequently, it
4 is unfortunate that a limited amount of tax refunds could be paid out. However, this
5 administration recognized the need to resume the payments for refunds and directed DOA
6 to identify funds for payment of this obligation using our limited cash resources.

7 *I Liheslaturan Guåhan* notes that the September 30, 2010 draft financial
8 statements reflect an increase in the General Fund deficit of \$83M for FY 2010, thus
9 increasing the cumulative General Fund deficit to \$349M. *I Liheslaturan Guåhan* finds
10 that the current cash position dictates the need to find revenue sources with available cash
11 to pay for the additional funding requirements of this Act.

12 The current cash challenges dictated the need for the use of non-traditional
13 sources. The Bureau of Budget and Management Research, the Department of Revenue
14 and Taxation and the Department of Administration had explored all available funding
15 sources and identified the non-traditional revenue and funding options contained in this
16 Act.

17 **Section 2. Short Title.** This Act *shall* be known as the "*Supplemental*
18 *Appropriations Act of 2011*". *Except* as otherwise provided by this Act, the
19 appropriations made by this Act shall be available to pay for obligations incurred on *or*
20 after October 1, 2010 but *no later than* September 30, 2011. *If* any appropriation in this
21 Act is found contrary to federal law, all other portions of this Act *shall* remain valid.

22 **Section 3. Overpayment of Interest Payment to Government of Guam**
23 **Retirement Fund (GGRF).** Pursuant to the Government of Guam Liabilities

1 Assessment October 2008 through March 2011 report from the Office of Public
2 Accountability, up to \$18.1M in interest payments had been overpaid to the GGRF for
3 outstanding and past due retirement contributions of Guam Memorial Hospital Authority
4 (GMHA) and Guam Department of Education (GDOE). As such, the following
5 appropriations are made from the General Fund, which shall be offset as provided in
6 subsection (c) of this section.

7 **a)** The sum of Eight Million One Hundred Forty Two Thousand Two Hundred
8 Sixty Seven Dollars (**\$8,142,267**) is appropriated to supplement the appropriation made
9 in Section 2(f) of Chapter XI of Public Law 30-196 for Retirees' Medical/Dental/Life
10 Premiums.

11 **b)** The sum of Seven Million Three Hundred Thousand Dollars (**\$7,300,000**) is
12 appropriated to the Guam Memorial Hospital Authority for payment of the
13 employee/employer contribution share of the Guam Memorial Hospital Authority to the
14 Government of Guam Retirement Fund.

15 **c)** The GGRF will not use its existing financial resources to make the payments
16 for the appropriations contained in Subsections (a) and (b) of this Section. Pursuant to
17 this Section, the General Fund will make the payments for the appropriations in this
18 Section and will offset its receivables, due from GGRF, with its liabilities to the GGRF
19 for current fiscal year government contributions of departments and agencies until the
20 sum of \$15,442,267 is fully realized. The government contributions for departments and
21 agencies shall be offset from the overpayments to the GGRF. The DOA and the GGRF
22 will document this offset in a formal manner.

1 **Section 4. Base Operational Appropriations.** The following Base
 2 Operational Appropriations, as reflected below in sub-items (a) through (o), are hereby
 3 adjusted as follows:

4 **(a)** Section 2 of Part II of Chapter III of Public Law 30-196, as *amended* by Section
 5 3(f)(6) of Public Law 30-224, is hereby *repealed* and *reenacted* to read:

6 **“Section 2. Appropriation.** Funds provided in this Section are hereby
 7 appropriated and authorized out of the General Fund, Special Funds and Federal
 8 Matching Grants-in-Aid to the Department of Public Health and Social Services
 9 for its operations in Fiscal Year 2011. This appropriation *shall* be expended in
 10 accordance with the object class allocations outlined below.

11 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

12	APPROP. CLASS	OBJECT CLASS	GENERAL FUND	SPECIAL FUND	TOTAL
13	REG SALARIES	111	\$2,741,052	\$3,973,319	\$6,714,371
14	OT/SP	112	\$0	\$0	\$0
15	BENEFITS	113	\$968,957	\$1,304,368	\$2,273,325
16	TRAVEL/MILE	220	\$42,156	\$12,750	\$54,906
17	CONT. SERV.	230	\$9,233,747	\$766,696	\$10,000,443
18	OFF. RENTAL	233	\$471,605	\$162,600	\$634,205
19	SUP. & MAT.	240	\$71,790	\$331,042	\$402,832
20	EQUIPMENT	250	\$9,899	\$0	\$9,899
21	WRK. COMP.	270	\$0	\$0	\$0
22	DRUG TEST	271	\$150	\$0	\$150
23	SUBGRANT	280	\$0	\$0	\$0
24	MISC	290	\$19,385,809	\$200,000	\$19,585,809
25	POWER	361	\$0	\$0	\$0
26	WATER/SEWER	362	\$0	\$0	\$0
27	PHONE/TOLL	363	\$428,951	\$20,412	\$449,363
28	CAP. OTLY.	450	\$0	\$0	\$0
29	GR. TOTAL		\$33,354,116	\$6,771,187	\$40,125,303

1 **Healthy Futures Fund - \$6,044,365 (111-\$3,614,831; 113-\$1,173,741; 230-**
 2 **\$544,189; 233-\$162,600; 240-\$328,592; 290-\$200,000; 363-\$20,412)**
 3 **Environmental Health Fund - \$726,822 (111-\$358,488; 113-\$130,627;**
 4 **220-\$12,750; 230-\$222,507; 240-\$2,450)**

5 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING SOURCE**

6	GENERAL FUND	\$33,354,116
7	FEDERAL MATCHING GRANTS-IN-AID	\$25,914,601
8	SPECIAL FUNDS	<u>\$6,771,187</u>
9	TOTAL	\$66,039,904"

10 **(b) Section 2 of Part III of Chapter III of Public Law 30-196, is hereby *repealed* and**
 11 ***reenacted* to read:**

12 **“Section 2. Appropriation.** Funds provided in this Section are hereby
 13 appropriated and authorized out of the General Fund, Special Funds and Federal
 14 Matching Grants-in-Aid to the DMHSA for its operations in Fiscal Year 2011.
 15 This appropriation *shall* be expended in accordance with the object class
 16 allocations outlined below.

17 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

18	APPROP. CLASS	OBJECT CLASS	GENERAL FUND	SPECIAL FUND	TOTAL
19	REG SALARIES	111	\$3,008,163	\$2,187,851	\$5,196,014
20	OT/SP	112	\$54,865	\$30,200	\$85,065
21	BENEFITS	113	\$940,058	\$670,304	\$1,610,362
22	TRAVEL/MILE	220	\$0	\$0	\$0
23	CONT. SERV.	230	\$4,290,374	\$254,075	\$4,544,449
24	OFF. RENTAL	233	\$96,660	\$0	\$96,660
25	SUP. & MAT.	240	\$3,016	\$1,041,169	\$1,044,185
26	EQUIPMENT	250	\$19,100	\$143,339	\$162,439
27	WRK. COMP.	270	\$0	\$0	\$0
28	DRUG TEST	271	\$0	\$0	\$0
29	SUBGRANT	280	\$0	\$0	\$0
30	MISC	290	\$79,260	\$509,000	\$588,260

1	POWER	361	\$0	\$0	\$0
2	WATER/SEWER	362	\$0	\$0	\$0
3	PHONE/TOLL	363	\$100,250	\$0	\$100,250
4	CAP. OTLY	450	\$0	\$165,000	\$165,000
5	<u>GR. TOTAL</u>		<u>\$8,591,746</u>	<u>\$5,000,938</u>	<u>\$13,592,684</u>

6 **Healthy Futures Fund \$5,000,938**

7 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING SOURCE**

8	GENERAL FUND			\$8,591,746	
9	FEDERAL MATCHING GRANTS-IN-AID				\$0
10	SPECIAL FUNDS				<u>\$5,000,938</u>
11	TOTAL				\$13,592,684

12 (c) Section 2 of Part IV of Chapter III of Public Law 30-196, is hereby *repealed* and
13 *reenacted* to read:

14 **“Section 2. Appropriation.** Funds provided in this Section are hereby
15 appropriated and authorized out of General Fund, Special Funds and Federal
16 Matching Grants-in-Aid to the DISID for its operations in Fiscal Year 2011. This
17 appropriation *shall* be expended in accordance with object class allocations
18 outlined below.

19 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

20	APPROP. CLASS	OBJECT CLASS	GENERAL FUND	SPECIAL FUND	TOTAL
21	REG SALARIES	111	\$417,366	\$0	\$417,366
22	OT/SP	112	\$0	\$0	\$0
23	BENEFITS	113	\$129,869	\$0	\$129,869
24	TRAVEL/MILE	220	\$0	\$0	\$0
25	CONT. SERV.	230	\$68,040	\$513,881	\$581,921
26	OFF. RENTAL	233	\$118,128	\$0	\$118,128
27	SUP. & MAT.	240	\$4,000	\$0	\$4,000
28	EQUIPMENT	250	\$0	\$0	\$0
29	WRK. COMP.	270	\$0	\$0	\$0
30	DRUG TEST	271	\$0	\$0	\$0

1	SUBGRANT	280	\$0	\$0	\$0
2	MISC	290	\$609,955	\$0	\$609,955
3	POWER	361	\$0	\$0	\$0
4	WATER/SEWER	362	\$0	\$0	\$0
5	PHONE/TOLL	363	\$15,500	\$0	\$15,500
6	CAP. OTLY.	450	\$0	\$0	\$0
7	<u>GR. TOTAL</u>		<u>\$1,362,858</u>	<u>\$513,881</u>	<u>\$1,876,739</u>

8 **Healthy Futures Fund \$513,881**

9 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING SOURCE**

10	GENERAL FUND	\$1,362,858
11	FEDERAL MATCHING GRANTS-IN-AID	\$2,992,651
12	SPECIAL FUNDS	<u>\$513,881</u>
13	TOTAL	\$4,869,390”

14 **(d)** Section 2(a) of Chapter V of Public Law 30-196, as *amended* by Section 3(d) iii
15 of Public Law 30-224, is hereby *repealed* and *reenacted* to read:

16 **“(a) OFFICE OF I MAGA’LAHI**

17 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

18	APPROP. CLASS	OBJECT CLASS	GENERAL FUND	SPECIAL FUND	TOTAL
19	REG SALARIES	111	\$3,730,124	\$239,673	\$3,969,797
20	OT/SP	112	\$0	\$0	\$0
21	BENEFITS	113	\$1,317,651	\$79,930	\$1,397,581
22	TRAVEL/MILE	220	\$0	\$42,500	\$42,500
23	CONT. SERV.	230	\$920,000	\$7,500	\$927,500
24	OFF. RENTAL	233	\$35,000	\$0	\$35,000
25	SUP. & MAT.	240	\$70,633	\$3,500	\$74,133
26	EQUIPMENT	250	\$52,105	\$0	\$52,105
27	WRK. COMP.	270	\$0	\$0	\$0
28	DRUG TEST	271	\$3,750	\$0	\$3,750
29	SUBGRANT	280	\$0	\$0	\$0
30	MISC	290	\$71,993	\$7,500	\$79,493
31	POWER	361	\$0	\$0	\$0
32	WATER/SEWER	362	\$0	\$0	\$0
33	PHONE/TOLL	363	\$91,000	\$7,500	\$98,500

1	CAP. OTLY.	450	\$75,000	\$0	\$75,000
2	<u>GR. TOTAL</u>		<u>\$6,367,256</u>	<u>\$388,103</u>	<u>\$6,755,359</u>

3 **Indirect Cost Fund \$388,103**

4 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING SOURCE**

5	GENERAL FUND				\$6,367,256
6	FEDERAL MATCHING GRANTS-IN-AID				\$0
7	SPECIAL FUNDS				<u>\$388,103</u>
8	TOTAL				\$6,755,359

9 (e) Section 2(b) of Chapter V of Public Law 30-196, is hereby *repealed* and
10 *reenacted* to read:

11 **“(b) ANCESTRAL LANDS COMMISSION**

12 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

13	APPROP. CLASS	OBJECT CLASS	GENERAL FUND	SPECIAL FUND	TOTAL
14	REG SALARIES	111	\$139,565	\$0	\$139,565
15	OT/SP	112	\$0	\$0	\$0
16	BENEFITS	113	\$45,581	\$0	\$45,581
17	TRAVEL/MILE	220	\$0	\$0	\$0
18	CONT. SERV.	230	\$2,204	\$0	\$2,204
19	OFF. RENTAL	233	\$36,034	\$0	\$36,034
20	SUP. & MAT.	240	\$500	\$0	\$500
21	EQUIPMENT	250	\$0	\$0	\$0
22	WRK. COMP.	270	\$0	\$0	\$0
23	DRUG TEST	271	\$0	\$0	\$0
24	SUBGRANT	280	\$0	\$0	\$0
25	MISC	290	\$0	\$0	\$0
26	POWER	361	\$0	\$0	\$0
27	WATER/SEWER	362	\$0	\$0	\$0
28	PHONE/TOLL	363	\$3,000	\$0	\$3,000
29	CAP. OTLY.	450	\$0	\$0	\$0
30	<u>GR. TOTAL</u>		<u>\$226,884</u>	<u>\$0</u>	<u>\$226,884</u>

31 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING SOURCE**

32	GENERAL FUND				\$226,884
33	FEDERAL MATCHING GRANTS-IN-AID				\$0

1	SPECIAL FUNDS	_____ \$0
2	TOTAL	\$226,884”

3 (f) Section 2(c) of Chapter V of Public Law 30-196, is hereby *repealed* and
4 *reenacted* to read:

5 **“(c) BUREAU OF BUDGET AND MANAGEMENT RESEARCH**
6 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

7	APPROP. CLASS	OBJECT CLASS	GENERAL FUND	SPECIAL FUND	TOTAL
8	REG SALARIES	111	\$222,878	\$324,754	\$547,632
9	OT/SP	112	\$0	\$0	\$0
10	BENEFITS	113	\$56,031	\$114,116	\$170,147
11	TRAVEL/MILE	220	\$0	\$0	\$0
12	CONT. SERV.	230	\$13,170	\$0	\$13,170
13	OFF. RENTAL	233	\$0	\$0	\$0
14	SUP. & MAT.	240	\$2,000	\$0	\$2,000
15	EQUIPMENT	250	\$0	\$0	\$0
16	WRK. COMP.	270	\$0	\$0	\$0
17	DRUG TEST	271	\$0	\$0	\$0
18	SUBGRANT	280	\$0	\$0	\$0
19	MISC	290	\$0	\$0	\$0
20	POWER	361	\$0	\$0	\$0
21	WATER/SEWER	362	\$0	\$0	\$0
22	PHONE/TOLL	363	\$14,334	\$0	\$14,334
23	CAP. OTLY.	450	\$0	\$0	\$0
24	GR. TOTAL		\$308,413	\$438,870	\$747,283

25 **Indirect Cost Fund \$438,870**

26 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING SOURCE**

27	GENERAL FUND	\$308,413
28	FEDERAL MATCHING GRANTS-IN-AID	\$0
29	SPECIAL FUNDS	<u>\$438,870</u>
30	TOTAL	\$747,283”

1 (g) Section 2(e) of Chapter V of Public Law 30-196, is hereby *repealed* and
 2 *reenacted* to read:

3 **“(e) DEPARTMENT OF ADMINISTRATION**
 4 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

5	APPROP. CLASS	OBJECT CLASS	GENERAL FUND	SPECIAL FUND	TOTAL
6	REG SALARIES	111	\$4,359,597	\$247,653	\$4,607,250
7	OT/SP	112	\$3,392	\$0	\$3,392
8	BENEFITS	113	\$1,476,544	\$86,643	\$1,563,187
9	TRAVEL/MILE	220	\$0	\$0	\$0
10	CONT. SERV.	230	\$813,247	\$0	\$813,247
11	OFF. RENTAL	233	\$0	\$0	\$0
12	SUP. & MAT.	240	\$44,237	\$4,073	\$48,310
13	EQUIPMENT	250	\$5,000	\$0	\$5,000
14	WRK. COMP.	270	\$0	\$0	\$0
15	DRUG TEST	271	\$0	\$0	\$0
16	SUBGRANT	280	\$0	\$0	\$0
17	MISC	290	\$0	\$0	\$0
18	POWER	361	\$0	\$0	\$0
19	WATER/SEWER	362	\$0	\$0	\$0
20	PHONE/TOLL	363	\$539,000	\$0	\$539,000
21	CAP. OTLY.	450	\$0	\$0	\$0
22	GR. TOTAL		\$7,241,017	\$338,369	\$7,579,386

23 **Indirect Cost Fund \$338,369**

24 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING SOURCE**

25	GENERAL FUND	\$7,241,017
26	FEDERAL MATCHING GRANTS-IN-AID	\$0
27	SPECIAL FUNDS	<u>\$338,369</u>
28	TOTAL	\$7,579,386”

29 (h) Section 2(e)(11) of Chapter V of Public Law 30-196, as amended by Section 3 (f)
 30 (9) of Public Law 30-224, is hereby *repealed* and *reenacted* to read:

1 **“(11) Appropriation for Bank Fees and the Department of**
 2 **Administration.** The sum of Two Million Eight Hundred Twenty Seven
 3 Thousand Nine Hundred Thirty Nine Dollars **(\$2,827,939)** is hereby
 4 appropriated from the General Fund to the Department of Administration
 5 for payments of projected annual bank fees.

6 The government of Guam through the Department of Administration
 7 shall contract with a third party provider whereby collections of non-cash
 8 payments received are processed. The third party service provider shall
 9 remit the full value of the liability owed by the payer to the government of
 10 Guam. The third party service provider shall have the ability to accept
 11 non-cash payments received and charge necessary fees related to the
 12 processing of the payments.

13 The Director of the Department of Administration shall provide a
 14 report to *I Maga’lahen Guåhan* and the Speaker of *I Liheslaturan Guåhan*
 15 by July 15, 2011 on the status of the bank fees paid to date and the
 16 remaining balance to be paid at year end and the mandate with respect to
 17 the third party provider set forth in this Section.”

18 (i) Section 2(i) of Chapter V of Public Law 30-196, is hereby *repealed* and *reenacted*
 19 to read:

20 **“(i) DEPARTMENT OF PUBLIC WORKS**
 21 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

22	APPROP. CLASS	OBJECT CLASS	GENERAL FUND	SPECIAL FUND	TOTAL
23	REG SALARIES	111	\$5,811,315	\$6,329,923	\$12,141,238
24	OT/SP	112	\$0	\$59,712	\$59,712
25	BENEFITS	113	\$1,826,129	\$2,140,856	\$3,966,985

1	TRAVEL/MILE	220	\$0	\$0	\$0
2	CONT. SERV.	230	\$101,971	\$2,718,851	\$2,820,822
3	OFF. RENTAL	233	\$0	\$0	\$0
4	SUP. & MAT.	240	\$907,140	\$1,704,435	\$2,611,575
5	EQUIPMENT	250	\$0	\$635,070	\$635,070
6	WRK. COMP.	270	\$0	\$6,000	\$6,000
7	DRUG TEST	271	\$0	\$0	\$0
8	SUBGRANT	280	\$0	\$0	\$0
9	MISC	290	\$0	\$5,250	\$5,250
10	POWER	361	\$0	\$0	\$0
11	WATER/SEWER	362	\$0	\$0	\$0
12	PHONE/TOLL	363	\$45,741	\$72,135	\$117,876
13	CAP. OTLY.	450	\$18,000	\$510,000	\$528,000
14	GR. TOTAL		\$8,710,296	\$14,182,232	\$22,892,528

15 **DPW Building & Design Fund \$541,175 (111-\$293,980; 113-\$88,777; 230-\$60,664;**
16 **240-\$7,684; 250-\$40,070; 450-\$50,000)**

17 **Solid Waste Operations Fund \$6,211,816 (111-\$1,384,680; 112-\$59,712; 113-**
18 **\$496,767; 230-\$2,215,236; 240-\$1,003,380; 250-\$575,000; 270-\$5,000; 363-\$12,041;**
19 **450-\$460,000)**

20 **Guam Highway Fund \$7,429,241 (111-\$4,651,263; 113-\$1,555,312; 230-**
21 **\$442,951; 240-\$693,371; 250-\$20,000; 270-\$1,000; 290-\$5,250; 363-\$60,094)**

22 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING SOURCE**

23	GENERAL FUND			\$8,710,296	
24	FEDERAL MATCHING GRANTS-IN-AID			\$0	
25	SPECIAL FUNDS			<u>\$14,182,232</u>	
26	TOTAL			\$22,892,528	

27 **(j)** Section 2(l) of Chapter V of Public Law 30-196, is hereby *repealed* and *reenacted*
28 to read:

29 **“(l) GUAM POLICE DEPARTMENT**

30 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

31	APPROP. CLASS	OBJECT CLASS	GENERAL FUND	SPECIAL FUND	TOTAL
32	REG SALARIES	111	\$15,261,846	\$0	\$15,261,846

1	OT/SP	112	\$1,383,791	\$0	\$1,383,791
2	BENEFITS	113	\$4,605,895	\$0	\$4,605,895
3	TRAVEL/MILE	220	\$0	\$0	\$0
4	CONT. SERV.	230	\$232,200	\$511,790	\$743,990
5	OFF. RENTAL	233	\$91,876	\$0	\$91,876
6	SUP. & MAT.	240	\$306,849	\$58,320	\$365,169
7	EQUIPMENT	250	\$0	\$0	\$0
8	WRK. COMP.	270	\$17,017	\$0	\$17,017
9	DRUG TEST	271	\$0	\$0	\$0
10	SUBGRANT	280	\$0	\$0	\$0
11	MISC	290	\$147,300	\$0	\$147,300
12	POWER	361	\$0	\$0	\$0
13	WATER/SEWER	362	\$0	\$0	\$0
14	PHONE/TOLL	363	\$273,166	\$0	\$273,166
15	CAP. OTLY.	450	\$0	\$0	\$0
16	<u>GR. TOTAL</u>		<u>\$22,319,940</u>	<u>\$570,110</u>	<u>\$22,890,050</u>

17 **Police Services Fund \$570,110**

18 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING SOURCE**

19	GENERAL FUND	\$22,319,940
20	FEDERAL MATCHING GRANTS-IN-AID	\$0
21	SPECIAL FUNDS	<u>\$570,110</u>
22	TOTAL	\$22,890,050”

23 **(k)** Section 2(m) of Chapter V of Public Law 30-196, is hereby *repealed* and
24 *reenacted* to read:

25 **“(m) DEPARTMENT OF CORRECTIONS**

26 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

27	APPROP. CLASS	OBJECT CLASS	GENERAL FUND	SPECIAL FUND	TOTAL
28	REG SALARIES	111	\$8,263,985	\$0	\$8,263,985
29	OT/SP	112	\$1,173,908	\$0	\$1,173,908
30	BENEFITS	113	\$2,469,881	\$0	\$2,469,881
31	TRAVEL/MILE	220	\$0	\$0	\$0
32	CONT. SERV.	230	\$2,056,504	\$1,063,662	\$3,120,166

1	OFF. RENTAL	233	\$114,000	\$0	\$114,000
2	SUP. & MAT.	240	\$102,515	\$96,000	\$198,515
3	EQUIPMENT	250	\$0	\$0	\$0
4	WRK. COMP.	270	\$0	\$0	\$0
5	DRUG TEST	271	\$0	\$0	\$0
6	SUBGRANT	280	\$0	\$0	\$0
7	MISC	290	\$79,800	\$0	\$79,800
8	POWER	361	\$0	\$0	\$0
9	WATER/SEWER	362	\$0	\$0	\$0
10	PHONE/TOLL	363	\$70,000	\$0	\$70,000
11	CAP. OTLY.	450	\$0	\$0	\$0
12	<u>GR. TOTAL</u>		<u>\$14,330,593</u>	<u>\$1,159,662</u>	<u>\$15,490,255</u>

13 **DOC Revolving Fund \$1,063,662 (230-\$1,063,662)**

14 **Safe Streets Fund \$96,000 (\$240-\$96,000)**

15 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING SOURCE**

16	GENERAL FUND			\$14,330,593	
17	FEDERAL MATCHING GRANTS-IN-AID			\$0	
18	SPECIAL FUNDS			<u>\$1,159,662</u>	
19	TOTAL			\$15,490,255"	

20 (l) Section 2(p) of Chapter V of Public Law 30-196, is hereby *repealed* and
21 *reenacted* to read:

22 **“(p) DEPARTMENT OF YOUTH AFFAIRS**

23 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

24	APPROP. CLASS	OBJECT CLASS	GENERAL FUND	SPECIAL FUND	TOTAL
25	REG SALARIES	111	\$2,606,539	\$103,902	\$2,710,441
26	OT/SP	112	\$138,418	\$0	\$138,418
27	BENEFITS	113	\$713,319	\$38,185	\$751,504
28	TRAVEL/MILE	220	\$0	\$0	\$0
29	CONT. SERV.	230	\$555,488	\$26,122	\$581,610
30	OFF. RENTAL	233	\$0	\$0	\$0
31	SUP. & MAT.	240	\$82,870	\$21,590	\$104,460
32	EQUIPMENT	250	\$0	\$9,410	\$9,410

1	WRK. COMP.	270	\$0	\$0	\$0
2	DRUG TEST	271	\$0	\$0	\$0
3	SUBGRANT	280	\$0	\$0	\$0
4	MISC	290	\$0	\$0	\$0
5	POWER	361	\$0	\$0	\$0
6	WATER/SEWER	362	\$0	\$0	\$0
7	PHONE/TOLL	363	\$66,205	\$0	\$66,205
8	CAP. OTLY.	450	\$0	\$0	\$0
9	<u>GR. TOTAL</u>		<u>\$4,162,839</u>	<u>\$199,209</u>	<u>\$4,362,048</u>

10 **Healthy Futures Fund \$199,209**

11 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING SOURCE**

12	GENERAL FUND	\$4,162,839
13	FEDERAL MATCHING GRANTS-IN-AID	\$0
14	SPECIAL FUNDS	<u>\$199,209</u>
15	TOTAL	\$4,362,048”

16 **(m)**Section 2(t) of Chapter V of Public Law 30-196, is hereby *repealed* and *reenacted*

17 to read:

18 **“(s) DEPARTMENT OF LAND MANAGEMENT**

19 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

20	APPROP. CLASS	OBJECT CLASS	GENERAL FUND	SPECIAL FUND	TOTAL
21	REG SALARIES	111	\$0	\$1,877,352	\$1,877,352
22	OT/SP	112	\$0	\$0	\$0
23	BENEFITS	113	\$0	\$644,094	\$644,094
24	TRAVEL/MILE	220	\$0	\$0	\$0
25	CONT. SERV.	230	\$0	\$340,277	\$340,277
26	OFF. RENTAL	233	\$243,223	\$376,460	\$619,683
27	SUP. & MAT.	240	\$0	\$27,972	\$27,972
28	EQUIPMENT	250	\$0	\$0	\$0
29	WRK. COMP.	270	\$0	\$0	\$0
30	DRUG TEST	271	\$0	\$0	\$0
31	SUBGRANT	280	\$0	\$0	\$0
32	MISC	290	\$0	\$7,200	\$7,200

1	POWER	361	\$0	\$0	\$0
2	WATER/SEWER	362	\$0	\$0	\$0
3	PHONE/TOLL	363	\$0	\$22,693	\$22,693
4	CAP. OTLY.	450	\$0	\$0	\$0
5	GR. TOTAL		\$243,223	\$3,296,048	\$3,539,271

6 **Land Survey Revolving Fund \$3,296,048**

7 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING SOURCE**

8	GENERAL FUND	\$243,223
9	FEDERAL MATCHING GRANTS-IN-AID	\$0
10	SPECIAL FUNDS	\$3,296,048
11	TOTAL	\$3,539,271

12 (n) Section 2(u) of Chapter V of Public Law 30-196, is hereby *repealed* and
13 *reenacted* to read:

14 **“(u) CHIEF MEDICAL EXAMINER**

15 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

16	APPROP. CLASS	OBJECT CLASS	GENERAL FUND	SPECIAL FUND	TOTAL
17	REG SALARIES	111	\$286,685	\$0	\$286,685
18	OT/SP	112	\$0	\$0	\$0
19	BENEFITS	113	\$84,041	\$0	\$84,041
20	TRAVEL/MILE	220	\$4,500	\$0	\$4,500
21	CONT. SERV.	230	\$44,820	\$0	\$44,820
22	OFF. RENTAL	233	\$0	\$0	\$0
23	SUP. & MAT.	240	\$4,780	\$0	\$4,780
24	EQUIPMENT	250	\$0	\$0	\$0
25	WRK. COMP.	270	\$0	\$0	\$0
26	DRUG TEST	271	\$0	\$0	\$0
27	SUBGRANT	280	\$0	\$0	\$0
28	MISC	290	\$35	\$0	\$35
29	POWER	361	\$0	\$0	\$0
30	WATER/SEWER	362	\$0	\$0	\$0
31	PHONE/TOLL	363	\$2,574	\$0	\$2,574
32	CAP. OTLY.	450	\$0	\$0	\$0

1	GR. TOTAL	\$427,435	\$0	\$427,435
2	SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING SOURCE			
3	GENERAL FUND			\$427,435
4	FEDERAL MATCHING GRANTS-IN-AID			\$0
5	SPECIAL FUNDS			\$0
6	TOTAL			\$427,435”

7 (o) Section 2(aa) of Chapter V of Public Law 30-196, as amended by Section 3(f)(4)
8 of Public Law 30-224, is hereby repealed and reenacted to read:

9 **“(aa) GUAM FIRE DEPARTMENT**

10 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

11	APPROP. CLASS	OBJECT CLASS	GENERAL FUND	SPECIAL FUND	TOTAL
12	REG SALARIES	111	\$14,645,452	\$1,009,830	\$15,655,282
13	OT/SP	112	\$2,582,139	\$56,105	\$2,638,244
14	BENEFITS	113	\$5,290,353	\$335,329	\$5,625,682
15	TRAVEL/MILE	220	\$0	\$0	\$0
16	CONT. SERV.	230	\$296,154	\$160,000	\$456,154
17	OFF. RENTAL	233	\$115,000	\$0	\$115,000
18	SUP. & MAT.	240	\$244,959	\$92,296	\$337,255
19	EQUIPMENT	250	\$0	\$257,024	\$257,024
20	WRK. COMP.	270	\$8,786	\$0	\$8,786
21	DRUG TEST	271	\$0	\$0	\$0
22	SUBGRANT	280	\$0	\$0	\$0
23	MISC	290	\$96,000	\$10,050	\$106,050
24	POWER	361	\$0	\$0	\$0
25	WATER/SEWER	362	\$0	\$0	\$0
26	PHONE/TOLL	363	\$45,000	\$48,000	\$93,000
27	CAP. OTLY.	450	\$0	\$112,890	\$112,890
28	GR. TOTAL		\$23,323,843	\$2,081,524	\$25,405,367

29 **Enhanced 911 Emergency Reporting System Fund \$1,428,500 (111-\$547,830; 112-**
30 **\$56,105; 113-\$197,329; 230-\$150,000; 240-\$82,296; 250-\$224,000; 290-\$10,050; 363-**
31 **\$48,000; 450-\$112,890)**

32 **Fire, Life and Medical Emergency Fund \$653,024 (111-\$462,000; 113-\$138,000;**

1 **230-\$10,000; 240-\$10,000; 250-\$33,024)**

2 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING SOURCE**

3	GENERAL FUND	\$23,323,843
4	FEDERAL MATCHING GRANTS-IN-AID	\$0
5	SPECIAL FUNDS	<u>\$2,081,524</u>
6	TOTAL	\$25,405,367”

7 **Section 5. Appropriations to Retirees for Supplemental Annuity Benefits**
8 **and for Other Costs.** Section 2 (a) of Chapter XI of Public Law 30-196, is hereby
9 *amended* to read:

10 “(a) The sum of ~~Eleven Million Three Hundred Seventy Five Thousand Dollars~~
11 ~~(\$11,375,000)~~ Eleven Million Six Hundred Ninety Six Thousand Three Hundred
12 Three Dollars (\$11,696,303) is appropriated from the General Fund to the
13 Supplemental Annuity Benefits Special Fund for Fiscal Year 2011 for direct
14 payments to government of Guam retirees who retired *prior* to October 1, 1995,
15 or their survivors, for the continuing payment of Four Thousand Two Hundred
16 Thirty Eight Dollars (\$4,238) per year in supplemental annuity benefits,
17 consisting of the sums of One Thousand Two Hundred Dollars (\$1,200), One
18 Thousand Five Hundred Dollars (\$1,500), Seven Hundred Dollars (\$700), and
19 Eight Hundred Thirty Eight Dollars (\$838) in annual benefits authorized by
20 various General Appropriation Acts.”

21 **Section 6. Appropriation for Retirees’ Medicare Premiums.** Section 2 (h)
22 of Chapter XI of Public Law 30-196, is hereby *amended* to read:

23 “(b) For Fiscal Year 2011, the sum of ~~Seven Hundred Two Thousand Dollars~~
24 ~~(\$702,000)~~ Nine Hundred Eighty Seven Thousand Dollars (\$987,000) is
25 appropriated from the General Fund to the GGRF to pay the cost of Medicare

1 premiums for government of Guam retirees and their survivors domiciled on
2 Guam, and who are eligible to receive Social Security income benefits, and who
3 are eligible to enroll in the Government of Guam Group Health Insurance
4 Program. No government of Guam retiree or their survivor *shall* be required to
5 enroll in the Government of Guam Health Insurance Program in order to receive
6 the reimbursement.”

7 **Section 7. Appropriation for *I Maga’lahi* and *I Segundu na Maga’lahi* / *I***
8 ***Segundu na Maga’haga* Pensions.** Section 2 (i) of Chapter XI of Public Law 30-196, is
9 hereby *amended* to read:

10 “(i) For Fiscal Year 2011, the sum of ~~One Hundred Forty Five Thousand Dollars~~
11 ~~(\$145,000)~~ Two Hundred Ten Thousand Six Hundred Thirty Six Dollars
12 (\$210,636) is appropriated from the General Fund to the GGRF for *I Maga’lahi*
13 and *I Segundu na Maga’lahi/I Segundu na Maga’haga* Pensions.”

14 **Section 8. Appropriation for Retirement Annuities for Judges & Justices.**
15 Section 2 (j) of Chapter XI of Public Law 30-196, is hereby *amended* to read:

16 “(j) For Fiscal Year 2011, the sum of ~~Four Hundred Fifty Eight Thousand Four~~
17 ~~Hundred Forty Eight Dollars (\$458,448)~~ Four Hundred Sixty Six Thousand Four
18 Hundred Twenty Nine Dollars (\$466,429) is appropriated from the General Fund
19 to the GGRF for retirement annuities for former judges and justices of the
20 Superior Court and Supreme Court of Guam.”

21 **Section 9. Appropriation to the Department of Administration for the**
22 **Health, Life and Dental Insurance Premiums.** The sum of Three Million Three
23 Hundred Three Thousand Four Hundred Thirty One Dollars (**\$3,303,431**) is appropriated

1 from the General Fund to the Health Benefit Fund administered by the Department of
2 Administration. This appropriation shall supplement the cost of the government of
3 Guam's contribution for Health, Life and Dental Insurance premiums under the
4 Government of Guam's Health Insurance Plan for Fiscal Year 2011, pursuant to the
5 appropriations made under the respective departments'/agencies' Central Cost Accounts
6 provided in Public Law 30-196, as amended by Public Law 30-224.

7 **Section 10. Appropriation to Utility Bank Fund.** The sum of One Million
8 Three Hundred Ten Thousand Dollars (**\$1,310,000**) is appropriated from the General
9 Fund to the Utility Bank Fund as administered by the Department of Administration.
10 This appropriation shall supplement the funding provided for Water/Sewer requirements,
11 made under the respective departments'/agencies' Central Cost Accounts provided in
12 Public Law 30-196, as amended by Public Law 30-224.

13 **Section 11. Appropriation to Guam Police Department for Payment of**
14 **Prior Year Overtime.** Notwithstanding any other provision of law, the sum of Three
15 Hundred Thirty Eight Thousand Four Hundred Ninety Three Dollars (**\$338,493**) is
16 appropriated from the General Fund to the Guam Police Department for the payment of
17 prior year overtime incurred and owed to police officers in Fiscal Year 2010.

18 **Section 12. Appropriation to Department of Corrections for Payment of**
19 **Prior Year Overtime.** Notwithstanding any other provision of law, the sum of One
20 Million Six Hundred Eighty Five Thousand Eight Hundred Thirty Five Dollars
21 (**\$1,685,835**) is appropriated from the General Fund to the Department of Corrections for
22 the payment of prior year overtime incurred and owed to correction officers in Fiscal
23 Year 2010.

1 **Section 13. Appropriation to the Bureau of Information Technology.** The
2 sum of Three Hundred Forty Thousand Dollars (**\$340,000**) is appropriated from the
3 General Fund to the Bureau of Information Technology for the purpose of funding the
4 following:

5 **(a)** The sum of Two Hundred Thousand Dollars (**\$200,000**) for the purpose of
6 contracting services to manage the government of Guam's Consolidated
7 Information Technology (IT) environment, to include server and storage
8 consolidation; and

9 **(b)** The sum of One Hundred Forty Thousand Dollars (**\$140,000**) for the purchase
10 of a three (3)-year license for government of Guam enterprise-wide antivirus
11 protection.

12 **(c)** The unexpended balance of the appropriation made under this Section *shall*
13 *not* revert to the General Fund and *shall* be available until fully expended for
14 the original purposes of said appropriation.

15 **Section 14. Appropriation to the Bureau of Statistics and Plans.** The sum
16 of Two Hundred Thousand Dollars (**\$200,000**) is appropriated from the General Fund to
17 the Bureau of Statistics and Plans for the purpose of funding the following two (2)
18 projects:

19 **a)** The sum of One Hundred Thousand Dollars (**\$100,000**) for the E-Library
20 Project Management that will enable the establishment of electronic web-
21 based search and document retrieval through a document scanning and
22 archival program; and

1 **b)** The sum of One Hundred Thousand Dollars (**\$100,000**) for Improving
2 Statistical Data Management through Information Technology Project which
3 will address Guam's current fragmented data management and information
4 systems by developing an integrated data framework and strategic plan that
5 will lead toward the establishment of the Guam data bank.

6 **c)** The unexpended balance of the appropriation made under this Section *shall*
7 *not* revert to the General Fund and *shall* be available until fully expended for
8 the original purposes of said appropriation.

9 **Section 15. Appropriation to the Department of Revenue and Taxation for**
10 **E-Filing.** The sum of Four Hundred Thousand Dollars (**\$400,000**) is appropriated from
11 the General Fund to the Department of Revenue and Taxation for the implementation of
12 the Electronic Filing Program. The unexpended balance of the appropriation made under
13 this Section *shall not* revert to the General Fund and *shall* be available until fully
14 expended for the original purposes of said appropriation.

15 **Section 16. Appropriation to the Department of Education.** The sum of
16 One Million Three Hundred Thousand Dollars (**\$1,300,000**) is appropriated from the
17 General Fund to the Department of Education to supplement its operations for Fiscal
18 Year 2011.

19 **Section 17. Appropriation for COLA Interest Payments.** The sum of One
20 Million Dollars (**\$1,000,000**) is appropriated from the General Fund to the Government
21 of Guam Retirement Fund for partial payment of the Cost of Living Allowance (COLA)
22 judgment interest liability to retirees pursuant to *Rios vs. Camacho*, SP0206-93.

1 **Section 18.** Notwithstanding any other provision of law, the sum of Seven
2 Million Six Hundred Thousand Dollars **(\$7,600,000)** from the balance of the
3 appropriation made in Section 7 Subsection (b) of Chapter XI of Public Law 30-196 shall
4 be de-appropriated and re-appropriated for the appropriations contained in this Act.

5 **Section 19.** Notwithstanding any other provision of law, the following sums
6 received as reimbursements from the United States Internal Revenue Service in Fiscal
7 Year 2011 are hereby transferred into the General Fund and are hereby available for the
8 appropriations contained in this Act:

9	a. State of Legal Residence – Section 30	\$2,300,000
10	b. American Opportunity Credit	\$2,300,000
11	c. Rebate Reimbursement	<u>\$600,000</u>
12	Total	\$5,200,000

13 **Section 20.** Notwithstanding any other provision of law, the unexpended
14 balance in the amount of One Million Dollars **(\$1,000,000)** from the Year 2010 Census
15 contract, between the United States Census Bureau and the government of Guam, shall be
16 deposited into the General Fund for the appropriations contained in this Act.

17 **Section 21.** Notwithstanding any other provision of law, the balance of Four
18 Million Three Hundred Thousand Dollars **(\$4,300,000)** to be reimbursed to the
19 government of Guam for the capital costs incurred by the government of Guam for the
20 construction of the Layon landfill and the closure of the Ordodump, subject to the
21 approval of the U.S. District Court of Guam for the use of bond funds secured through
22 the issuance of the Government of Guam Limited Obligation (Section 30) Series 2009A

1 bonds, shall be deposited into the General Fund and shall be made available for the
2 appropriations contained in this Act.

3 **Section 22.** Notwithstanding any other provision of law, upon receipt of the
4 reimbursement of One Million Dollars (**\$1,000,000**) from the Bond Reserve Fund for the
5 Limited Obligation Infrastructure Improvement Bonds, 1997 Series A, such funds shall
6 be deposited into the General Fund and shall be made available for the appropriations
7 contained in this Act.

8 **Section 23.** Notwithstanding any other provision of law, the sum of Two
9 Million One Hundred Thousand Dollars (**\$2,100,000**) is hereby appropriated from the
10 Autonomous Agency Collections Fund to the General Fund for the appropriations made
11 in this Act.

12 **Section 24. Authorization for Payment of Prior Year Obligation to Guam**
13 **Memorial Hospital Authority (GMHA).** Notwithstanding any other provision of law,
14 the following line departments and agencies are hereby authorized to pay its prior year
15 obligations to GMHA from its Fiscal Year 2011 appropriations as follows:

16	a. Department of Corrections	\$2,382,272
17	b. Guam Department of Education	\$17,009
18	c. Department of Labor	\$139,928
19	d. Department of Youth Affairs	\$16,807
20	e. Customs and Quarantine Agency	\$2,689
21	f. Guam Fire Department	<u>\$88,697</u>
22	Total	\$2,647,402

1 **Section 25. Authorization for Guam Police Department and Department**
2 **of Corrections to Pay Prior Year Obligations for Overtime.** Notwithstanding any
3 other provision of law, the Department of Corrections and the Guam Police Department
4 are authorized to utilize its Base Operational Appropriations for Fiscal Year 2011 to pay
5 any prior years overtime incurred and owed to its correction and police officers
6 respectively.

7 **Section 26. Authorization to Make Payments of Prior Year Obligations.**
8 Notwithstanding any other provision of law, all government of Guam agencies in
9 Chapters II, III and V of Public Law 30-196, are authorized to utilize its Fiscal Year 2011
10 Base Operational Appropriations to pay for prior years obligations.

11 **Section 27. Transfer Authority of *I Maga'lahaen Guåhan*.** Section 14 of
12 Chapter XIII of Public Law 30-196, is hereby *repealed* and *reenacted* to read:

13 “**Section 14. Transfer Authority of *I Maga'lahaen Guåhan*.** *I Maga'lahaen*
14 *Guåhan* is authorized to transfer funds between Fiscal Year 2011 General Fund
15 Executive Branch appropriations.”

16 **Section 28. Special Fund Transfer.** Section 8 of Chapter XIII of Public Law
17 30-196, is hereby *amended* to read:

18 “**Section 8. Special Fund Transfer.** Unless specified in this Act, *I*
19 *Maga'lahaen Guåhan* is authorized to transfer to the General Fund any cash
20 available from any appropriated Special Fund or Revolving Fund to fund the
21 appropriations authorized by this Act. All cash from Special Funds or Revolving
22 Funds transferred to cover the appropriations authorized by this Act *shall* be
23 promptly reimbursed to the Special or Revolving Fund from which it was

1 withdrawn as cash becomes available. *I Maga'lahren Guåhan* shall submit a
2 report to the Speaker of *I Liheslaturan Guåhan* on the fifth (5th) day of every
3 month on all transfers made pursuant to this Section. Said report *shall* enumerate
4 the amount of each transfer, identify the funds to and from which the transfer was
5 made and state the purpose of each transfer. Unless otherwise restricted or
6 specifically allowed by this Act, for FY 2011 *I Maga'lahren Guåhan* is authorized
7 to transfer ~~up to fifteen percent (15%)~~ between object categories within an agency
8 Fiscal Year 2011 Special Fund base operational (*except* the utility funds)
9 appropriations contained in Chapter V and in Parts II, III and IV of Chapter III of
10 this Act; provided that notice of each transfer and justification therefore are
11 delivered within fifteen (15) working days after the transfer is made to the
12 Speaker of *I Liheslaturan Guåhan* and the Office of Finance and Budget.”

13 **Section 29.** Section 3 (c) (5) of Chapter I of Public Law 30-196, is hereby
14 amended to read:

15 “(5) *No less than fifty percent (50%)* of all ACTC reimbursements *shall* be
16 deposited directly into the Income Tax Refund Efficient Payment Trust Fund (Fund), of
17 Chapter 51, Title 11, Guam Code Annotated, and applied to 2008 and prior A Status
18 returns. Interest earned in the Fund may be used to hire seasonal employees to assist with
19 income tax processing; and to hire employees in revenue generating programs.”

20 **Section 30. Severability.** *If* any provisions of this Act or its application to any
21 person or circumstances is held invalid, the invalidity shall *not* affect other provisions or
22 applications of this Act which can be given effect without the invalid provision or
23 application, and to this end the provisions of this Act are severable.

I MINA'TRENTAI UNU NA LIHESLATURAN GUÅHAN
THIRTY FIRST GUAM LEGISLATURE
2011 (FIRST) REGULAR SESSION

BILL NO. S184-31 (LS)

As substituted by the Committee on Appropriations,
Taxation, Banking, Insurance, Retirement, and Land.

Introduced by:

Committee on Rules; Federal, Foreign &
Micronesia Affairs; and Human & Natural
Resources

**at the request of *I Maga'lahaen Guåhan*,
the Governor of Guam, in accordance
with the Organic Act of Guam.**

**AN ACT TO PROVIDE ADDITIONAL
APPROPRIATION AUTHORIZATION FOR THE
GOVERNMENT OF GUAM EMPLOYEE AND
RETIREE HEALTH INSURANCE FOR FISCAL
YEAR ENDING SEPTEMBER 30, 2011 AND OTHER
PURPOSES. THIS ACT SHALL BE KNOWN AS
THE "SUPPLEMENTAL APPROPRIATIONS ACT OF
2011."**

BE IT ENACTED BY THE PEOPLE OF GUAM:

CHAPTER I

HEALTH INSURANCE

Section 1. Short Title. This Act *shall* be known as the "*Supplemental Appropriations Act of 2011.*" *Except* as otherwise provided by this Act, the appropriations made by this Act shall be available to pay for obligations incurred on *or* after October 1, 2010 but *no later than* September 30, 2011. *If* any appropriation in this Act is found contrary to federal law, all other portions of this Act *shall* remain valid.

Section 2. Findings and Intent. *I Liheslaturan Guåhan* has been presented with a Supplemental Appropriations Act of 2011 which is intended to reprioritize budgeted appropriations for additional Medical and Dental insurance for both the retirees and line agencies. This additional funding requirement was confirmed by the Office of Finance and Budget, the Department of Administration and the Bureau of Budget and Management Research and further affirmed by the Office of Public Accountability.

1 *I Liheslaturan Guåhan* affirmatively states the fact that the passage of the
2 General Appropriations Act of 2011 (Bill 439-30) occurred on August 20, 2010 and *I*
3 *Maga'låhen Guåhan* enacted Bill 439-30 to law on September 1, 2010. The health
4 insurance negotiating team, via the DOA Director notified the Departments and Agencies
5 on August 26, 2011 of the new health insurance rates for FY 2011.

6 Finalizing the cost of the government of Guam Health Insurance occurred when
7 the contract was signed by *I Maga'låhen Guåhan* on September 28, 2011, forcing a \$22
8 million cost increase to all Branches and Agencies of the government of Guam
9 Autonomous Agencies including to all the Tax Payers of Guam, nearly a month after the
10 passage of the Annual Budget Act.

11 *I Liheslaturan Guåhan* finds that in Bill 439-30, the Annual Budget Act for FY
12 2011, *I Maga'låhen Guåhan* requested that health insurance for FY 2011 be budgeted at
13 the same funding level of FY 2010 cost, and despite this knowledge he approved the final
14 negotiated cost of the Health Insurance contract which obligated the government to an
15 additional unfunded \$22 Million obligation. Rather than requesting for the renegotiation
16 of the contract, electing to enter Arbitration to lower the increase in cost, or simply
17 vetoing the *General Appropriations Act of 2011* as insufficient, *I Maga'låhen Guåhan*
18 accepted the unwarranted, irresponsible health insurance cost increase of 40% and
19 prioritizes payment to the health contract vendor of an additional \$22 million dollars of
20 public funds generated by the hard working Taxpayers of Guam, without Legislative
21 approval.

22 *I Liheslaturan Guåhan* advised the new Administration since November 2010, in
23 early January of 2011, and almost monthly thereafter, of the need to address the
24 unbudgeted increase in the cost of the health insurance contract for FY 2011 and the
25 court-ordered payments for the Amended Permanent Injunction with the need for a Fiscal
26 Realignment Plan to address these and other post-budget financial challenges.

27 On January 10, 2011, *I Maga'låhen Guåhan* issued Executive Order 2011-01
28 which required all departments, agencies, or other government entities to recommend
29 short and long-term cost-reduction and cost-containment measures. **On February 3,**
30 **2011, the Office of Public Accountability in OPA Report No. 11-01, “Cost Reduction**
31 **and Revenue Enhancement Recommendations Pursuant to Executive Order No. 2011-**

1 **01,” recommended cost containment measure #7 - Renegotiate Medical and Dental**
2 **Insurance Rates.**

3 **Rather than try to negotiate a new arrangement under the existing contract,**
4 ***I Maga'låhen Guåhan* ignored the OPA recommendation and the call by *I***
5 ***Liheslaturan Guåhan* for a Fiscal Realignment Plan. *I Maga'låhen Guåhan* delayed**
6 **action until May, when he proposed to increase the appropriation and spending**
7 **ceiling of the current budget for the existing health insurance appropriation in**
8 **order to avert the termination of medical coverage by mid-June for retirees,**
9 **employees and their families.**

10 **Instead *I Maga'låhen Guåhan*, issued Executive Order 2011-02 using his Organic**
11 **Act powers and canceled the Government of Guam Competitive Wage Act of 2011,**
12 **effective 12:00 am, January 30, 2011 and is now requesting the authorization to spend the**
13 **money appropriated for the Hay Study salary adjustments to pay the increase in the**
14 **health insurance contract. With the stroke of a pen, *I Maga'låhen Guåhan* chose to turn**
15 **back the clock and take away what has been lawfully and rightfully given to government**
16 **of Guam employees.**

17 **The Government of Guam Competitive Wage Act of 2011 is undoubtedly an**
18 **economic catalyst to Guam's economy. Every additional dollar received as a result of the**
19 **pay increase is likely to circulate among and throughout the retail economy as well as**
20 **increase withholding revenue to the Government of Guam. Eliminating the Government**
21 **of Guam Competitive Wage Act of 2011 increases counteracted additional economic**
22 **stimulus to the Guam economy.**

23 **The Office of Finance and Budget report entitled, “Measuring the Impact of the**
24 **Government of Guam Competitive Wage Act of 2011,” projects that over \$20 million**
25 **dollars of opportunity for local business and direct positive impact to government**
26 **employees cost-of-living could be realized through continued implementation of the**
27 **Government of Guam Competitive Wage Act of 2011. Additional tax revenues that**
28 **would be realized by the government are estimated to be \$4 million or 19% return of the**
29 **total cost of implementation.**

30
31

**Estimated Additional Tax Revenue Collections Resulting from
the Government of Guam Competitive Wage Act of 2011**

Withholding Income Tax Revenue to Government of Guam	\$2,432,509
Additional Tax Generated by Additional Disposable Income	<u>\$1,550,035</u>
Total Additional Tax Collections	\$3,982,544
% of Total Cost Returning to Government of Guam	19%

I Liheslaturan Guåhan is resolved to protect the priorities set forth in Public Law 30-196. It is imperative that *I Maga'låhen Guåhan* adhere to and administer the bills passed by the Legislative Branch and signed into law by the Executive Branch which prioritize the payment of tax refunds; outline solutions to improve cash flow; and require the reduction of the structural deficit. The Government of Guam Competitive Wage Act of 2011 remains an integral priority of the government of Guam to retain and recruit the best employees to deliver vital services to the people of Guam. **Unfortunately, *I Maga'låhen Guåhan* has reinforced his decision to cancel the Government of Guam Competitive Wage Act of 2011 in his *Supplemental Appropriations Act of 2011* submission to *I Liheslaturan Guåhan* to, instead, pay the full 100% value of the FY 2011 Health Insurance Contract.**

Section 3. Transfer of Government of Guam Competitive Wage Act of 2011 Appropriation for Health Insurance. (a) Notwithstanding any limitation of the Governor's transfer authority or provision of law, the sum of Seven Million Six Hundred Thousand Dollars (**\$7,600,000**) from the balance of the appropriation made in Section 7 Subsection (b) of Chapter XI of Public Law 30-196 may be transferred to the Health Benefit Cost Account to pay for additional health insurance premium payments required by contract for government of Guam employees and retirees. The transfer of appropriation in Section 7 Subsection (b) of Chapter XI of Public Law 30-196 shall use the method of cash disbursement outlined in subsection (b) of this Section.

(b) The additional health insurance premium payments required by contract for health insurance equally affects all branches, agencies and the retirees funded by the ***General Appropriations Act of 2011***. Therefore all transfer of appropriated funds authorized in subsection (a) to pay for health insurance premiums shall not exceed Twelve Million Seven Hundred Forty Five Thousand Six Hundred Ninety Eight Dollars (**\$12,745,698**), and each allotment release related to said transferred appropriations shall

1 disburse any cash payment of premiums on behalf of the following
2 Departments/Agencies at the following ratios:

3

4 **Table 1**

	Additional Appropriation Authorization	Ratio
5 Retirees (GGRF)	\$8,142,267	63.88%
6 Health Benefit Cost Account (DOA)	\$3,303,431	25.92%
7 DOE	\$1,300,000	10.20%
8 Total	<u>\$12,745,698</u>	100.00%

9 **Section 4.** Section 3 of Chapter XIII of Public Law 30-196, is hereby *amended* to
10 read:

11 **“Section 3. Government of Guam Retirement Fund Rate of**
12 **Contribution.** In accordance with §8137(e) of Article 1, Chapter 8 of Title 4 of
13 the Guam Code Annotated, the government rate of contribution to the
14 Government of Guam Retirement Fund throughout Fiscal Year 2011 *shall* be
15 twenty seven and forty six hundredths percent (27.46%).

16 No later than June 15, 2011 the GGRF Board of Trustees and *I*
17 *Maga'låhen Guåhan* shall execute an Agreement titled the **Health Insurance**
18 **Bailout Agreement of FY 2011** that reduces the sums paid of government of
19 Guam statutory employer contributions accordingly:

20 (a) Between June 4, 2011 and September 30, 2011, the
21 Government rate of contribution for agencies receiving appropriations
22 from *I Liheslaturan Guåhan* and for Federally-funded programs shall
23 equal seventy eight and seven hundredths percent (78.07%) of the sum of
24 the contribution rates required under §8137(e) of Article 1, Chapter 8 of
25 Title 4 of the Guam Code Annotated as amended.

26 (b) Between June 4, 2011 and September 30, 2011, the government
27 rate of contribution for autonomous agencies not receiving appropriations
28 from *I Liheslaturan Guåhan* shall equal one hundred percent (100%) of
29 the sum of the contribution rates required under §8137(e) of Article 1,
30 Chapter 8 of Title 4 of the Guam Code Annotated as amended.

1 (c) For the period between June 4, 2011 and September 30, 2011,
 2 the “savings” to the government of Guam from the *Health Insurance*
 3 *Bailout Agreement of FY 2011* is equal twenty one and ninety three
 4 hundredths percent (21.93%) of the sum of the contribution rates required
 5 under §8137(e) of Article 1, Chapter 8 of Title 4 of the Guam Code
 6 Annotated as amended.

7 (d) Five Million One Hundred Forty Five Thousand Six Hundred
 8 Ninety Eight Dollars (**\$5,145,698**) of the “savings” resulting from the
 9 *Health Insurance Bailout Agreement of FY 2011* is de-appropriated and is
 10 hereby re-appropriated to the Health Benefit Cost Account as calculated in
 11 Appendix I to pay for health insurance premiums for government of Guam
 12 employees and retirees. The funds re-appropriated in this section shall
 13 disburse any cash payment of premiums on behalf of the following
 14 agencies/departments using the following ratio:

Table 1	Additional Appropriation Authorization	Ratio
Retirees (GGRF)	\$8,142,267	63.88%
Health Benefit Cost Account (DOA)	\$3,303,431	25.92%
DOE	\$1,300,000	10.20%
Total	\$12,745,698	100.00%

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 21 (e) The Guam Memorial Hospital Authority (GMH) is hereby
 22 required to remit to the GGRF all the calculated One Million Twenty Six
 23 Thousand One Hundred Sixty Dollars (**\$1,026,160**) savings from the
 24 reduction of the employer contribution pursuant to subsection (a) of this
 25 Section for the payment of current year delinquent contributions for the
 26 members of the Defined Contribution Plan (5% member and 5% employer
 27 contributions). These Funds shall be deposited into the members' account
 28 upon receipt. The total delinquent contributions due as of May 23, 2011 is
 29 One Million Three Hundred Seventy Two Thousand Five Hundred
 30 Thirteen Dollars (**\$1,372,513**). GMH shall supplement an additional up to
 31 Three Hundred Forty Six Thousand Three Hundred Fifty Three Dollars

1 (\$346,353) from other GMH funds as needed to ensure the entire amount
2 is remitted to the GGRF by September 30 2011.

3 (f) The reduction in the contribution rate in subsection (a) of this
4 Section is hereby effective upon the execution of the Agreement titled the
5 *Health Insurance Bailout Agreement of FY 2011* that reduces the
6 government of Guam statutory employer contribution accordingly. The
7 Agreement shall be executed no later than June 15, 2011.”

8 **Section 5. Guam Memorial Hospital Authority payment of delinquent**
9 **employee/employer contribution share to the Government of Guam Retirement**
10 **Fund.** Section 6 of Chapter XII of Public Law 30-196, is hereby *amended* to read:

11 **“Section 6. Section 1 of Public Law 28-38 is hereby *amended* to read as**
12 **follows:**

13 **“Section 1.** Special Retirement Provisions for the Guam Department of
14 Education (GDOE) and Guam Memorial Hospital Authority (GMHA). On the
15 first day of the first month following the enactment hereof and on every first day
16 of every month thereafter, the Department of Administration (DOA) *shall*
17 compute and recognize interest owed for both the GDOE and GMHA retirement
18 liabilities to the Government of Guam Retirement Fund (GGRF) equal to
19 outstanding liability multiplied by the one twelfth (1/12) of the most recent
20 historical five (5) year average annual rate of return of the defined benefit
21 investment portfolio, inclusive of performance which yielded negative returns.
22 Liability payments made by the GDOE or GMHA *shall* be credited to the
23 respective liability balance prior to the next month’s interest calculations. The
24 GGRF *shall not* be entitled to any additional interest for liabilities identified in
25 this Section beyond what the DOA calculates on the first day of each month. The
26 GGRF *shall* accept and approve for retirement any eligible employee of the DOE
27 or the GMHA upon the condition that the respective agency's employer and
28 employee contributions to the Fund for the applicable fiscal year are current and
29 paid in full as provided in P.L. 27-106, Chapter VI, Section 13. If the GDOE or
30 GMHA fails to make current payments for the applicable fiscal year, the Fund

1 *shall* cease processing applications from employees of that agency until payment
2 is made in full.

3 The GGRF and the DOA *shall* reconcile the annualized interest paid
4 during the current fiscal year upon release of the GGRF rate of return
5 performance report for Quarter ending September 30 for the same twelve (12)
6 month period. The GGRF *shall* invoice the DOA for any underpayment of
7 interest computed by subtracting actual interest payments from interest calculated
8 using the current fiscal year monthly principal balances outlined in Section 1 and
9 the twelve (12) month average rate of return for the same period. Any
10 overpayments to the GGRF *shall* remain with the GGRF.

11 On the first day of the first month following the enactment hereof and on
12 every first day of every month thereafter, with a grace period of *no more than* ten
13 (10) days, the Treasurer of Guam *shall* pay “interest only” payments for the Guam
14 Department of Education (GDOE) deficiency to the Government of Guam
15 Retirement Fund (GGRF) and the Treasurer of Guam *shall* pay “interest only”
16 payments for the Guam Memorial Hospital Authority (GMHA) deficiency to the
17 GGRF on the first day of the first month following the enactment hereof and on
18 every first day of every month thereafter. The Government of Guam Retirement
19 Fund *shall* accept and approve for retirement any eligible employee of the Guam
20 Department of Education or the Guam Memorial Hospital Authority upon the
21 condition that the respective agency's employer and employee contributions to the
22 Fund for the applicable fiscal year are current and paid in full as provided in P.L.
23 27-106, Chapter VI, Section 13, including interest and penalties pursuant to Title
24 4 GCA §8137(c) and interest at the actuarial rate determined in the latest
25 completed actuarial valuation prepared for the Board of Trustees by the actuary
26 appointed by the Board, which is seven and one-half percent (7.5%). If the
27 Treasurer of Guam fails to make current payments as required by this Section or if
28 GDOE or GMH fails to make current payments for the applicable fiscal year, the
29 Fund *shall* cease processing applications from employees of that agency until
30 payment is made in full.”

1 (a) Monthly remittance to the GGRF, by the Department of
2 Administration (DOA) of interest only payments, in accordance with
3 Public Law 28-38, amended by Public Law 30-196, are hereby increased
4 to include interest payments on the additional sum of Five Million Five
5 Hundred Twenty Six Thousand Seven Hundred Dollars (\$5,526,700), the
6 delinquent amount owed to the GGRF by the GMHA for FY 2011
7 employee/employer contribution share, is hereby added to the delinquent
8 amounts owed to the GGRF by the Guam Memorial Hospital Authority
9 for employee/employer contribution share.

10 (b) Monthly remittance to the GGRF, by the Government of
11 Guam Department of Administration (DOA) of interest only payments, in
12 accordance with Public Law 28-38, amended by Public Law 30-196, and
13 as further amended to include the sum of Six Million Eight Hundred
14 Thirty Seven Thousand Seven Hundred Thirty Six Dollars (\$6,837,736) is
15 hereby added to the delinquent amount owed to the GGRF by the
16 government of Guam for the loan of Unfunded Actuarial Accrued
17 Liability calculated savings pursuant to Section 3(a) of Chapter XIII of
18 Public Law 30-196 as further amended.

19 (c) I Maga'låhen Guåhan shall include the re-financing of the
20 outstanding principal and interest owed to the Government of Guam
21 Retirement Fund herein in the next General Obligation Bond issue of the
22 government of Guam."

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CHAPTER II

FY 2011 SUPPLEMENTAL REVENUES AND APPROPRIATIONS

Section 1. Legislative Findings and Intent. *I Liheslaturan Guåhan* finds that upon further review and scrutiny of the Supplemental Appropriations Act of 2011 request submitted by *I Maga'lahren Guåhan's* requesting for additional expenditure authority includes the need to recognize new revenue collections as well as additional appropriations. *I Liheslaturan Guåhan* further finds that not all the requests of *I Maga'lahren Guåhan* are immediately vital to providing services to the people of Guam and as such, all appropriations in this Chapter are given the highest priority of funding given the limited resources available to the government of Guam.

Section 2. Creation of the Supplemental Appropriations Revenue Fund.

(a) Findings and Intent *I Liheslaturan Guåhan* finds that any further delay in the payment of Income Tax Refunds to Guam Taxpayers is undue and inexcusably excessive, and reiterates the priority for tax refunds as set forth in the *General Appropriations Act of 2011* and the laws of Guam. It is the intent of *I Liheslatura* for the government of Guam to be held to highest level of scrutiny for the use of public funds. It is incumbent upon the government of Guam to be open and transparent when requesting for additional spending authorization and recognition of revenue after the passage of the Annual Appropriations Act. Lack of transparency and scrutiny of additional expenditure requirements erodes public trust and does not allow exposure to any breakdown of financial controls which may cause the need for additional expenditures.

In the spirit and need for transparency *I Liheslaturan Guåhan* requires the creation of a Supplemental Appropriations Revenue Fund (SAR Fund). If and when new supplemental revenue sources are identified after the passage of the Annual Appropriations Act by the Executive Branch or *I Liheslaturan Guåhan*, the SAR Fund *shall* serve as the clearinghouse for all supplemental revenues, appropriations, and expenditures.

(b) There is hereby added Article 10 to 5 Guam Code Annotated Chapter 22 to read:

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§ 221005. Annual Audit.

The Office of Public Accountability *shall* perform an annual audit of the SAR Fund and the compliance of the Director of the Department of Administration with the expenditure of such funds within the SAR Fund in accordance with the administration and exclusive purposes of this Article. Said audit *shall* include but is *not* limited to, the revenues to the SAR Fund and the expenditures from the SAR Fund. The OPA *shall* prepare and provide a written report of compliance *no later than* seventy five (75) days after the end of the fiscal year to *I Maga'låhen Guåhan* and to the Speaker of *I Liheslaturan Guåhan.*”

Section 3. Notwithstanding any other provision of law, the following sums received as reimbursements from the United States Internal Revenue Service in Fiscal Year 2011 shall be deposited directly into the SAR Fund:

a. State of Legal Residence – Section 30	\$2,300,000
b. American Opportunity Credit	\$2,300,000
c. Rebate Reimbursement	<u>\$600,000</u>
Total	\$5,200,000

Section 4. Notwithstanding any other provision of law, the unexpended balance in the amount of One Million Dollars **(\$1,000,000)** from the Year 2010 Census contract, between the United States Census Bureau and the government of Guam, is hereby transferred from the Census Fund into the SAR Fund.

Section 5. Notwithstanding any other provision of law, One Million Dollars **(\$1,000,000)** from the Bond Reserve Fund for the Limited Obligation Infrastructure Improvement Bonds, 1997 Series A, is hereby transferred from the Bond Reserve Fund into the SAR Fund.

Section 6. Notwithstanding any other provision of law, the sum of Two Million One Hundred Thousand Dollars **(\$2,100,000)** is hereby transferred from the Autonomous Agency Collections Fund to the SAR Fund.

Section 7. Notwithstanding any other provision of law, the balance of Four Million Three Hundred Thousand Dollars **(\$4,300,000)** to be reimbursed to the government of Guam for the capital costs incurred by the government of Guam for the

1 construction of the Layon landfill and the closure of the Ordot dump, subject to the
2 approval of the U.S. District Court of Guam for the use of bond funds secured through
3 the issuance of the Government of Guam Limited Obligation (Section 30) Series 2009A
4 bonds, shall be deposited directly into the SAR Fund.

5 **Section 8.** Notwithstanding any other provision of law, the remaining balance
6 of Six Hundred Sixty Five Thousand Eight Hundred Seventy Eight Dollars (**\$665,878**)
7 from the “savings” pursuant to Section 3(a) of Chapter XIII of Public Law 30-196 as
8 further amended by Section 4 of Chapter I and in Appendix I of this Act, is hereby
9 transferred from the General Fund into the SAR Fund.

10 **Section 9. Appropriation to Department of Mental Health and Substance**
11 **Abuse for Contractual Obligations and Salaries.** Notwithstanding any other provision
12 of law, the sum of One Hundred Fifty Three Thousand Six Hundred Seventy Eight
13 Dollars (**\$153,678**) is hereby appropriated from the SAR Fund to the Department of
14 Mental Health and Substance Abuse into Object Class 111.

15 The sum of One Million Five Hundred Eighty Five Thousand Six Hundred
16 Sixteen Dollars (**\$1,585,616**) is hereby appropriated from the SAR Fund to the
17 Department of Mental Health and Substance Abuse for the following contractual
18 obligations and other purposes:

19 (a) Payment for services provided by Latte Treatment Center, LLC
20 under contract reference C080600403 between May 1, 2011 and September 30,
21 2011 not to exceed Two Hundred Ninety Nine Thousand Two Hundred Sixty
22 One Dollars (**\$299,261**);

23 (b) Payment for services provided by Catholic Social Services under
24 contract reference C080601412 between May 1, 2011 and September 30, 2011
25 not to exceed Nine Hundred Forty Five Thousand Six Hundred Thirty Nine
26 Dollars (**\$945,639**);

27 (c) Payment for services provided by Latte Treatment Center, LLC
28 under contract reference C050604733 between May 1, 2011 and September 30,
29 2011 not to exceed Three Hundred Forty Thousand Seven Hundred Sixteen
30 Dollars (**\$340,716**).

1 **Section 10. Appropriation to the Department of Education for Utility**
 2 **Costs.** The sum of Four Hundred Forty Thousand Four Hundred Seventy Seven Dollars
 3 **(\$440,477)** is hereby appropriated from the SAR Fund to the Department of Education
 4 into Object Class 361. This appropriation shall supplement the funding provided for
 5 Power requirements.

6 **Section 11. Appropriation to the Department of Guam Fire Department**
 7 **for Salaries, Overtime, and Retirement Benefits and other expenditures.** The sum of
 8 Three Million Four Hundred Seventy One Thousand Seven Hundred Fifteen Dollars
 9 **(\$3,471,715)** is hereby appropriated from the SAR Fund to the Guam Fire Department.
 10 This appropriation shall supplement the funding provided as part of the:

11 **GUAM FIRE DEPARTMENT**

12 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

Description	Object Class	Amount
REG SALARIES	111	\$2,166,608
OT/SP	112	\$686,882
BENEFITS	113	\$464,521
CONT. SERV.	230	\$74,061
SUP. & MAT.	240	\$79,643
GR. TOTAL		\$3,471,715

20 **Section 12. Appropriation to the Department of Administration for**
 21 **Salaries, Overtime, Retirement Benefits and other expenditures.** The sum of Eight
 22 Hundred Eighty Three Thousand Five Hundred Forty Seven Dollars **(\$883,547)** is hereby
 23 appropriated from the SAR Fund to the Department of Administration. This
 24 appropriation shall supplement the funding provided as part of the:

25 **DEPARTMENT OF ADMINISTRATION**

26 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

Description	Object Class	Amount
REG SALARIES	111	\$405,101
OT/SP	112	\$3,392
BENEFITS	113	\$86,854
CONT. SERV.	230	\$199,200
SUP. & MAT.	240	\$20,000

1	EQUIPMENT	250	\$5,000
2	PHONE/TOLL	363	<u>\$164,000</u>
3	GR. TOTAL		\$883,547

4 **Section 13. Appropriation to the Department of Public Works.** The sum of
5 Three Hundred Forty Five Thousand Eight Hundred Ninety Two Dollars (**\$345,892**) is
6 hereby appropriated from the SAR Fund to the Department of Public Works into Object
7 Class 240. This appropriation shall supplement the funding provided for Bus Operations
8 Fuel requirements. The sum of One Hundred Thirty Three Thousand Two Hundred
9 Twenty Four Dollars (**\$133,224**) is hereby appropriated from the SAR Fund to the
10 Department of Public Works into Object Class 111.

11 **Section 14. Appropriation to Department of Land Management for**
12 **Payment of Office Rental.** The sum of Seventy One Thousand Thirty Seven Dollars
13 (**\$71,037**) is appropriated from the FY 2011 Land Survey Revolving Fund revenues to
14 Object Class 233 for Office Rental. The sum of Two Hundred Forty Three Thousand
15 Two Hundred Twenty Three Dollars (**\$243,223**) is appropriated from the SAR Fund to
16 Object Class 233 for Office Rental.

17 **Section 15. Appropriation to the Department of Public Health and Social**
18 **Services.** The sum of Two Hundred Ninety One Thousand Eighty Five Dollars
19 (**\$291,085**) is hereby appropriated from the SAR Fund to the Department of Public
20 Health and Social Services to supplement its funding for FY 2011 General Base
21 Operations.

22 **Section 16. Appropriation to the Department of Integrated Services for**
23 **Individuals with Disabilities.** The sum of One Hundred Sixty Six Thousand Nine
24 Hundred Forty Seven Dollars (**\$166,947**) is hereby appropriated from the SAR Fund to
25 the Department of Integrated Services for Individuals with Disabilities to supplement its
26 FY 2011 funding for General Base Operations.

27 **Section 17. Appropriation to the Office of the Governor.** The sum of Six
28 Hundred Fifty Thousand Dollars (**\$650,000**) is hereby appropriated from the SAR Fund
29 to the Office of the Governor to supplement its FY 2011 funding for General Base
30 Operations.

1 **Section 18. Appropriation to the Ancestral Lands Commission.** The sum
2 of Twenty Thousand Five Hundred Fifteen Dollars (**\$20,515**) is hereby appropriated from
3 the SAR Fund to the Ancestral Lands Commission to supplement its FY 2011 funding for
4 General Base Operations.

5 **Section 19. Appropriation to the Bureau of Budget Management and**
6 **Research.** The sum of Fifty Nine Thousand Seven Hundred Fifty Four Dollars (**\$59,754**)
7 is hereby appropriated from the SAR Fund to the Bureau of Budget Management and
8 Research to supplement its FY 2011 funding for General Base Operations.

9 **Section 20. Appropriation to the Department of Youth Affairs.** The sum of
10 One Hundred Sixteen Thousand Four Hundred Thirty One Dollars (**\$116,431**) is hereby
11 appropriated from the SAR Fund to the Department of Youth Affairs to supplement its
12 FY 2011 funding for General Base Operations.

13 **Section 21. Appropriation to the Chief Medical Examiner.** The sum of
14 Twenty Five Thousand Six Hundred Seventy Eight Dollars (**\$25,678**) is hereby
15 appropriated from the SAR Fund to the Chief Medical Examiner to supplement its FY
16 2011 funding for General Base Operations.

17 **Section 22. Appropriation to Retirees for Supplemental Annuity Benefits**
18 **and for Other Costs.** The sum of Three Hundred Twenty One Thousand Three Hundred
19 Three Dollars (**\$321,303**) is hereby appropriated from the SAR Fund to the Supplemental
20 Annuity Benefits Special Fund for direct payments to government of Guam retirees who
21 retired *prior* to October 1, 1995, or their survivors, for the continuing payment of Four
22 Thousand Two Hundred Thirty Eight Dollars (\$4,238) per year in supplemental annuity
23 benefits, consisting of the sums of One Thousand Two Hundred Dollars (\$1,200), One
24 Thousand Five Hundred Dollars (\$1,500), Seven Hundred Dollars (\$700), and Eight
25 Hundred Thirty Eight Dollars (\$838) in annual benefits authorized by various General
26 Appropriation Acts.

27 **Section 23. Retirees Medicare Premiums.** For Fiscal Year 2011, the sum of
28 Two Hundred Eighty Five Thousand Dollars (**\$285,000**) is hereby appropriated from the
29 SAR Fund to the GGRF to pay the cost of Medicare premiums for government of Guam
30 retirees and their survivors domiciled on Guam, and who are eligible to receive Social
31 Security income benefits, and who are eligible to enroll in the Government of Guam

1 Group Health Insurance Program. No government of Guam retiree or their survivor *shall*
2 be required to enroll in the Government of Guam Health Insurance Program in order to
3 receive the reimbursement.

4 **Section 24. *I Maga'låhi and I Segundu na Maga'låhi / I Segundu na***
5 ***Maga'håga Pensions.*** For Fiscal Year 2011, the sum of Sixty Five Thousand Six
6 Hundred Thirty Six Dollars (**\$65,636**) is hereby appropriated from the SAR Fund to the
7 GGRF for *I Maga'låhi and I Segundu na Maga'låhi/I Segundu na Maga'håga Pensions.*

8 **Section 25. Retirement Annuities for Judges & Justices.** For Fiscal Year
9 2011, the sum of Seven Thousand Nine Hundred Eighty One Dollars (**\$7,981**) is hereby
10 appropriated from the SAR Fund to the GGRF for retirement annuities for former judges
11 and justices of the Superior Court and Supreme Court of Guam.”

12 **Section 26. Utility Bank Cost Account.** The sum of One Million Three
13 Hundred Ten Thousand Dollars (**\$1,310,000**) is hereby appropriated from the SAR Fund
14 to the Utility Bank Cost Account as administered by the Department of Administration.
15 This appropriation shall supplement the funding provided for Water/Sewer requirements,
16 made under the respective departments'/agencies' Central Cost Accounts provided in
17 Public Law 30-196, as amended by Public Law 30-224.

18 **Section 27. Guam Income Tax Return Processing Policy Initiative**

19 (a) **Legislative Findings and Intent.** Section 15 of *I Maga'låhen Guåhan's* Bill
20 184-31 (COR) requests Four Hundred Thousand Dollars (**\$400,000**) to the Department of
21 Revenue and Taxation (DRT) for the implementation of the Electronic Filing Program. *I*
22 *Liheslaturan Guåhan* finds that at this time it shall require the DRT to pursue the policy
23 of a joint agreement between the Internal Revenue Service (IRS) and the Guam
24 Department of Revenue and Taxation to process Guam Income Tax Returns in an IRS
25 Service Center as a means to a more convenient, efficient, and cost-effective system by
26 the automation of receiving and processing Guam Income Tax Returns.

27 *I Liheslaturan Guåhan* further finds that the current inefficiencies in processing
28 Guam Income Tax Returns by the Department of Revenue and Taxation continue to be
29 costly to the government of Guam. The DRT system suffers from limited development
30 capabilities, timing issues from annual software updates, limited compliance analytics
31 and aggregate reporting capabilities. *I Liheslaturan Guåhan* recognizes these challenges

1 which result in the inability to know the true income tax liability of the government of
2 Guam in a timely and useful manner. There are also tremendous missed opportunities for
3 statistical data collection and also in uncollected tax revenue.

4 *I Liheslaturan Guåhan* further finds that the constant updating in the Internal
5 Revenue Code (IRC) also contributes to delays in the DRT from processing income
6 taxes. *I Liheslaturan Guåhan* recognizes that the current Guam income tax system
7 continuously needs to be programmed to reflect updated tax policies before any income
8 tax return is processed by the third party vendors which delays the deployment of
9 software updates and the timely start to income tax processing.

10 *I Liheslaturan Guåhan* further finds that the Department has limited compliance
11 staffing which creates opportunities for high amounts of leakage of income tax due to
12 filing errors or omissions. Said system also does not verify and match for unreported
13 income such as dividends, interest, securities transaction and other taxable income with
14 tax information supplied by banks, brokerage firms and other payers. *I Liheslaturan*
15 *Guåhan* recognizes that the U.S. Department of Interior Office of the Inspector General
16 also noted that no high-dollar value or complex audits were performed in a 2008 audit of
17 the Department tax collection activities.

18 (b) **Funding.** The sum of Four Hundred Thousand Dollars (**\$400,000**) is hereby
19 appropriated from the SAR Fund to the Department of Revenue and Taxation to
20 supplement or provide local matching funds to any federal grant funds from the
21 Department of Interior towards the integration of e-filing and processing of all Guam
22 Income Tax Returns in an IRS Service Center only.

23 **Section 28. Appropriation to the Department of Public Works for the**
24 **Umatac and Merizo Cemeteries.**

25 (a) The sum of Two Hundred Fifty Thousand Dollars (**\$250,000**) from
26 the SAR Fund is hereby appropriated to the Department of Public Works, who
27 shall coordinate with the Umatac Mayor, for the re-enforcement and stabilization
28 of the Umatac cemetery to prevent the graves from eroding into the ocean. Any
29 amounts not expended shall revert to the SAR Fund;

30 (b) The sum of Two Hundred Fifty Thousand Dollars (**\$250,000**) from
31 the SAR Fund is hereby appropriated to the Department of Public Works for the

1 construction of the additional crypts at the Merizo Cemetery. The Department of
 2 Public Works, the Department of Parks and Recreation and the Merizo Mayor
 3 shall work collaboratively to ensure the project complies with all existing
 4 Memorandum of Understandings relative to the operations of the Merizo
 5 cemetery. Any amounts not expended shall revert to the SAR Fund.

6 **Section 29. Base Operational Appropriations.** The following Base
 7 Operational Appropriations, as reflected below in sub-items (a) and (b), are hereby
 8 adjusted as follows:

9 (a) Section 2(l) of Chapter V of Public Law 30-196, is hereby
 10 *amended* to read:

11 **“(l) GUAM POLICE DEPARTMENT**

12 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

13	APPROP. CLASS	OBJECT CLASS	GENERAL FUND	SPECIAL FUND	TOTAL
14	REG SALARIES	111	\$15,401,914	\$15,261,846	\$0 \$15,401,914 \$15,261,846
15	OT/SP	112	\$677,533	\$1,383,791	\$0 \$677,533 \$1,383,791
16	BENEFITS	113	\$5,228,319	\$4,605,895	\$0 \$5,228,319 \$4,605,895
17	CONT. SERV.	230	\$15,000	\$232,200	\$511,790 \$526,790 \$743,990
18	OFF. RENTAL	233	\$232,200	\$91,876	\$0 \$232,200 \$91,876
19	SUP. & MAT.	240	\$304,235	\$306,849	\$58,320 \$362,555 \$365,169
20	WRK. COMP.	270	\$20,387	\$17,017	\$0 \$20,387 \$17,017
21	PHONE/TOLL	363	\$293,052	\$273,166	\$0 \$293,052 \$273,166
22	GR. TOTAL		\$22,319,940	\$570,110	\$22,890,050

23 **Police Services Fund \$570,110**

24 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING SOURCE**

25	GENERAL FUND	\$22,319,940
26	FEDERAL MATCHING GRANTS-IN-AID	\$0
27	SPECIAL FUNDS	\$570,110
28	TOTAL	\$22,890,050”

29 (b) Section 2(m) of Chapter V of Public Law 30-196, is hereby
 30 *amended* to read:

31 **“(m) DEPARTMENT OF CORRECTIONS**

32 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

1	APPROP.CLASS	OBJECT. CLASS	GENERAL FUND	SPECIAL FUND	TOTAL
2	REG SALARIES	111	\$8,526,210 \$8,263,985	\$0	\$8,526,210 \$8,263,985
3	OT/SP	112	\$432,059 \$1,173,908	\$0	\$432,059 \$1,173,908
4	BENEFITS	113	\$2,949,505 \$2,469,881	\$0	\$2,949,505 \$2,469,881
5	GR. TOTAL		\$14,330,593	\$1,159,662	\$15,490,255

6 **DOC Revolving Fund \$1,063,662 (230-\$1,063,662)**

7 **Safe Streets Fund \$96,000 (\$240-\$96,000)**

8 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING SOURCE**

9	GENERAL FUND	\$14,330,593
10	FEDERAL MATCHING GRANTS-IN-AID	\$0
11	SPECIAL FUNDS	<u>\$1,159,662</u>
12	TOTAL	\$15,490,255"

13 **Section 30.** Unless otherwise ordered or allowed by the District Court of
14 Guam, the sum of Seven Hundred Sixty Three Thousand Eight Hundred Forty Nine
15 Dollars (**\$763,849**) is hereby appropriated from the SAR Fund to the Department of
16 Administration for payment compliance with the stipulated court order of April 18, 2011
17 by the United States Federal District Court in Case No. CV 01-00041 CBM:

18 \$500,000 to be deposited no later than July 1, 2011;

19 \$3,200,000 to be deposited no later than August 1, 2011;

20 **\$3,700,000 Total**

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CHAPTER III
ENHANCED SPENDING AUTHORIZATION
OF EXISTING APPROPRIATIONS

5 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds that
6 pursuant to Executive Order 2011-1, the Bureau of Budget and Management Research
7 has reported to *I Liheslatura* that the government of Guam expects a prospective savings
8 of Four Million Four Hundred Twenty One Thousand Four Hundred Ninety One Dollars
9 **(\$4,421,491)** in FY 2011 as detailed in Appendix II. It is the intent of *I Liheslatura*,
10 therefore, to authorize 100% transfer authority of unexpended appropriations from the
11 object classes within the respective agencies as reported by BBMR to *I Maga'låhen*
Guåhan as prospective savings.

12 Furthermore, the BBMR Director testified under oath that pursuant of Executive
13 Order 2011-1, reduced the spending authority for the departments and agencies of the
14 government by implementing a 3% reserve on the release of allotments, providing the
15 Governor with the ability to transfer the savings of these appropriations to other areas in
16 the budget which requires increases in spending authority to meet unanticipated needs.

17 During times of financial distress it is vital that all
18 Branches/Departments/Agencies of the government of Guam support the use of any
19 excess appropriations by *I Maga'låhen Guåhan* to provide the additional spending
20 authority required to pay for prior year obligations and additional expenditures in FY
21 2011.

22 **Section 2. Special Transfer Authority of Unexpended Appropriations**
23 **Resulting from Cost Containment Savings.**

24 **(a) Transfer Authority.** Unless otherwise specified in this Act, *I*
25 *Maga'låhen Guåhan* is hereby authorized to transfer 100% of Fiscal Year 2011
26 unexpended appropriations from any "Cost Containment Measures Prospective
27 Savings" identified by the Bureau of Budget and Management Research by Fund
28 source from object classes of the agencies for which a savings is presented and is
29 realized as specified in Appendix II of this Act to fund the appropriations
30 authorized by this Act. The unexpended appropriations transferred pursuant to

1 this section *shall not* exceed the prospective individual object class amounts by
2 Fund by Agency in Appendix II.

3 **(b) Reporting Requirement.** Notice of each transfer and justification
4 *shall* be submitted to the Speaker of *I Liheslaturan Guåhan* and the Office of
5 Finance and Budget five (5) working days prior to the transfer of appropriation
6 authority and shall specify each transfer from, by fiscal year, by
7 agency/department, by object class and by description of original purpose of
8 appropriation therefore; and transfer to, by fiscal year, by agency/department, by
9 object class and by description of new purpose therefore, as illustrated in
10 Appendix III.

11 **Section 3. Special Fund Transfer.** Section 8 of Chapter XIII of Public Law
12 30-196, is hereby *amended* to read:

13 **“Section 8. Special Fund Transfer.** Unless specified in this Act, *I*
14 *Maga'lahen Guåhan* is authorized to transfer to the General Fund any cash
15 available from any appropriated Special Fund or Revolving Fund to fund the
16 appropriations authorized by this Act. All cash from Special Funds or Revolving
17 Funds transferred to cover the appropriations authorized by this Act *shall* be
18 promptly reimbursed to the Special or Revolving Fund from which it was
19 withdrawn as cash becomes available. *I Maga'lahen Guåhan shall* submit a
20 report to the Speaker of *I Liheslaturan Guåhan* on the fifth (5th) day of every
21 month on all transfers made pursuant to this Section. Said report *shall* enumerate
22 the amount of each transfer, identify the funds to and from which the transfer was
23 made and state the purpose of each transfer. Unless otherwise restricted or
24 specifically allowed by this Act, for FY 2011 *I Maga'lahen Guåhan* is authorized
25 to transfer *up to* fifteen percent (15%) ~~between object categories within~~ between
26 ~~an agency~~ Fiscal Year 2011 Special Fund Executive Branch base operational
27 (*except* the utility funds) appropriations contained in Chapter V and in Parts II, III
28 and IV of Chapter III of this Act; provided that notice of each transfer and
29 justification therefore are delivered within five (5) ~~fifteen (15)~~ working days
30 before ~~after~~ the transfer is made to the Speaker of *I Liheslaturan Guåhan* and the
31 Office of Finance and Budget.”

1 **Section 4. Enhanced Spending Authorizations for Anticipated**
2 **Expenditures.** Notwithstanding any other provision of law, the following anticipated
3 expenditures are authorized from any of the enhanced spending authorizations of
4 unexpended existing appropriations extended to *I Maga'låhen Guåhan* in Section 2(a)
5 and Section 3(a) of this Chapter:

6 (a) Unless otherwise ordered or allowed by the District Court of Guam,
7 the sum of Two Million Nine Hundred Thirty Six Thousand One Hundred Fifty
8 One Dollars (**\$2,936,151**) is hereby authorized for payment from any of the
9 enhanced spending authorizations of unexpended existing appropriations
10 extended to *I Maga'låhen Guåhan* in Section 2(a) and Section 3(a) of this
11 Chapter:

12 \$500,000 to be deposited no later than July 1, 2011;

13 \$3,200,000 to be deposited no later than August 1, 2011;

14 (763,849) identified in Chapter II Section 30

15 **\$2,936,151 Total**

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1 **CHAPTER IV**

2 **PRIOR YEAR OBLIGATIONS**

3 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds that
4 although the following prior year obligations will not cause a shutdown of government-
5 wide services and operations that they must be prioritized for payment to the
6 hardworking employees of the government of Guam so they may continue to serve in the
7 interest of the public.

8 **Section 2. Guam Police Department for Payment of Prior Year Overtime.**
9 Notwithstanding any other provision of law, the sum of Three Hundred Thirty Eight
10 Thousand Four Hundred Ninety Three Dollars (**\$338,493**) is appropriated from the SAR
11 Fund to the Guam Police Department for payment of prior year overtime incurred and
12 owed to police officers prior to Fiscal Year 2011.

13 **Section 3. Department of Corrections for Payment of Prior Year**
14 **Overtime.**

15 Notwithstanding any other provision of law, the sum of One Million Six Hundred
16 Eighty Five Thousand Eight Hundred Thirty Five Dollars (**\$1,685,835**) is appropriated
17 from the SAR Fund to the Department of Corrections for payment of prior year overtime
18 incurred and owed to corrections officers prior to Fiscal Year 2011.

19 **Section 4. Authorization for Payment of Prior Year Obligation to Guam**
20 **Memorial Hospital Authority (GMHA).** Notwithstanding any other provision of law,
21 the following line departments and agencies are hereby authorized to pay its prior year
22 obligations to GMHA from its Fiscal Year 2011 appropriations, with the exception of
23 Object Classes 111, 112 and 113 as follows:

24	a. Department of Corrections	\$2,382,272
25	b. Guam Department of Education	\$17,009
26	c. Department of Labor	\$139,928
27	d. Department of Youth Affairs	\$16,807
28	e. Customs and Quarantine Agency	\$2,689
29	f. Guam Fire Department	<u>\$88,697</u>
30	Total	\$2,647,402

1 **Section 5. Authorization for Guam Police Department and Department of**
2 **Corrections to Pay Prior Year Obligations for Overtime.** Notwithstanding any other
3 provision of law, the Department of Corrections and the Guam Police Department are
4 authorized to utilize its Base Operational Appropriations for Fiscal Year 2011 to pay any
5 prior years overtime incurred and owed to its correction and police officers respectively
6 provided it will not have a shortfall for FY 2011 payroll before the end of the fiscal year.

7 **Section 6. Authorization to Make Payments of Prior Year Obligations.**
8 Notwithstanding any other provision of law, *I Maga'låhen Guåhan* is authorized to pay
9 for prior years obligations for all government of Guam agencies in Chapters II, III and V
10 of Public Law 30-196, from any of the enhanced spending authorizations of existing
11 unexpended appropriations extended to *I Maga'låhen Guåhan* in Chapter III of this Act.

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1 CHAPTER V

2 MISCELLANEOUS PROVISIONS

3 Section 1. Section 3 of Chapter XII of Public Law 30-196 is hereby amended
4 to read:

5 “Section 3. Health Benefit Cost Account.

6 (a) There is hereby created a Health Benefit Cost Account. All
7 appropriations to the Health Benefit Cost Account in this Act and subsequent Acts
8 for the health, life, and dental insurance premiums of departments or agencies
9 shall only be used by the Department of Administration to pay for health, life and
10 dental insurance premiums for the specified department ~~or agency~~. This Cost
11 Account shall not be subject to *I Maga'låhen Guåhan's* transfer authority. ~~Any~~
12 ~~provider to the government health, dental or life insurance shall submit a report to~~
13 ~~*I Maga'låhen Guåhan* and the Speaker of *I Liheslaturan Guåhan* detailing the~~
14 ~~number of employees enrolled in each plan and the premium cost of the employee~~
15 ~~share and the government share of each enrollee, within thirty (30) days of the~~
16 ~~close of the annual open enrollment of such plan. Thereafter, a monthly report~~
17 ~~detailing the number of new enrollees and the number of enrollees dropping the~~
18 ~~plans shall be filed with *I Maga'låhen Guåhan* and the Speaker of *I Liheslaturan*~~
19 ~~*Guåhan*.~~

20 (b) All health insurance carriers for the government of Guam shall file
21 a monthly written report with the Department of Administration aggregating the:

22 (1) Enrollees, both subscribers and dependents, by active
23 employee and retiree subscriber counts by plan by class by groups
24 supported/paid by the General Fund, detailed by agency/department; and
25 enrollees, both subscribers and dependents, by active employee and retiree
26 subscriber counts by plan by class by groups supported/paid by
27 Autonomous agencies of the government of Guam, detailed by
28 autonomous agency.

29 (2) Autonomous agencies in this subsection shall include the
30 Guam Power Authority, Guam Waterworks Authority, Jose D. Leon
31 Guerrero Commercial Port, A.B. Won Pat International Airport Authority,

1 Guam Housing Corporation, Guam Housing and Urban Renewal
2 Authority, Guam Economic Development Authority, Government of
3 Guam Retirement Fund, and the Guam Visitors Bureau.

4 (3) This report shall be filed with *I Maga'låhen Guåhan* and
5 the Speaker of *I Liheslaturan Guåhan* no later than June 30, 2011 for the
6 months of October, November, December, January, February, March,
7 April and May of fiscal year 2011, and no later than twenty (20) days after
8 the end of the months ending June, July, August, and September of fiscal
9 year 2011.

10 (c) All health insurance carriers for the government of Guam shall file
11 a monthly written report detailing each individual health insurance premium
12 payment received by the government of Guam health insurance carrier from the
13 government of Guam, by date and by agency, to *I Maga'låhen Guåhan* and the
14 Speaker of *I Liheslaturan Guåhan* no later than June 30, 2011 for fiscal year 2010
15 and the months of October, November, December, January, February, March,
16 April and May of fiscal year 2011, and no later than twenty (20) days after the
17 end of the months ending June, July, August, and September of fiscal year 2011.

18 (d) The Office of Public Accountability shall conduct a quarterly audit
19 of all reports submitted by insurance carriers by obtaining supporting documents
20 from all agencies and departments, autonomous or otherwise, of the government
21 of Guam to confirm and substantiate reported premium payments.”

22 **Section 2. Section 8 of Chapter I of PL 30-196 is hereby repealed in its**
23 **entirety.**

24 **~~“Section 8. Income Tax Refund Compensation Plan.~~**

25 ~~(a) Legislative Intent. It is the intent of *I Liheslaturan Guåhan* that the~~
26 ~~processing and disbursement of tax refunds are made a priority of the government~~
27 ~~of Guam, and recognizes that the government of Guam serves as a fiduciary agent~~
28 ~~in its custody over these funds on behalf of the taxpayers of the island. It is,~~
29 ~~further, the intent of *I Liheslaturan Guåhan* to promote the timely processing and~~
30 ~~payment of these refunds to ensure that the funds are returned to the taxpayers,~~
31 ~~and that the interest incurred by the government of Guam is minimized. As such, *I*~~

1 ~~*Liheslaturan Guåhan* recognizes that the timely processing and disbursement of~~
2 ~~refunds *shall* occur to disburse any excess revenues that become available.~~

3 ~~*I Liheslaturan Guåhan* realizes that the processing and payment of refunds~~
4 ~~are constrained by the availability of funds and the productivity of the Department~~
5 ~~of Revenue and Taxation. Although the availability of funds is the responsibility~~
6 ~~of policymakers, *I Liheslaturan Guåhan* recognizes the hard working public~~
7 ~~servants at the Department of Revenue and Taxation for the work they perform~~
8 ~~for the timely processing and disbursement of refunds.~~

9 ~~(b) *I Liheslaturan Guåhan* wishes to emphasize the urgency of processing~~
10 ~~refunds by incentivizing the employees at the Department of Revenue and~~
11 ~~Taxation. The Income Tax Refund Compensation Plan (Plan) based on Merit~~
12 ~~Bonus, as delineated in §6203, Chapter 6, Title 4, Guam Code Annotated, *shall* be~~
13 ~~developed by the Director of the Department of Revenue and Taxation.~~

14 ~~The Plan *shall* be submitted by the Director of Revenue and Taxation to *I*~~
15 ~~*Maga'låhen Guåhan* within sixty (60) days upon enactment of this Act. *I*~~
16 ~~*Maga'låhen Guåhan* *shall* submit the proposed Plan within thirty (30) days upon~~
17 ~~receipt of the Plan to the Speaker of *I Liheslaturan Guåhan*. Pursuant to Chapter~~
18 ~~9, Title 5, Guam Code Annotated, *I Liheslaturan Guåhan* may approve,~~
19 ~~disapprove or amend accordingly.”~~

20 **Section 3. Chapter V (g)(4) of Public Law 30-196 is amended to read:**

21 **“(4) Appropriation to Department of Revenue and Taxation for**
22 **Overtime to Process Tax Year 2010 Income Tax Returns Refund**
23 **Compensation Plan. *I Liheslaturan Guåhan* finds that it is vital to the borrowing**
24 **plan set forth in Chapter VI, Section 1(j)(1) of the Biennial Budget Request for**
25 **Fiscal Years 2012 and 2013 as submitted by *I Maga'låhen Guåhan*, for the**
26 **government of Guam to first complete the processing of all income tax returns for**
27 **Tax Year 2010. Until all income tax returns for Tax Year 2010 are completely**
28 **processed, it would be haphazard for the government of Guam to proceed with**
29 **issuing bonds without the inclusion of payments for tax refunds from Tax Year**
30 **2010.**

1 It is, therefore, the intent of *I Liheslaturan Guåhan* that the sum of Thirty
2 Thousand Dollars **(\$30,000)** is appropriated from the General Fund to the
3 Department of Revenue and Taxation ~~for purpose of funding the incentive~~
4 ~~compensation plan required in Chapter I Section 8~~ in Object Class 112 for
5 Overtime for the purpose of completing the processing of all income tax returns
6 from Tax Year 2010.” Such processing shall include the reconciliation and
7 adjustments to revenues and expenditures for all tax credits included in such
8 returns.

9 **Section 4. Conditional Appropriations of Supplemental Appropriations**

10 **Revenue Fund.** Funds appropriated from the Supplemental Appropriations
11 Revenue Fund contained in Chapter II of this Act are conditioned on and shall be
12 effective upon written certification by the Director of Administration that the deposits to
13 the Income Tax Refund Efficient Payment Trust Fund for fiscal year 2011 are in
14 compliance with §51102 of Chapter 51 of Title 11 of the Guam Code Annotated *or* a
15 written report submitted by the Director of the Department of Administration to the
16 Speaker of *I Liheslaturan Guåhan* by June 15, 2011 that such compliance with §51102 of
17 Chapter 51 of Title 11 of the Guam Code Annotated will be achieved *within* sixty (60)
18 days after the enactment of this Act. The written report shall contain admission by the
19 Director of the Department of Administration that compliance with §51102 of Chapter 51
20 of Title 11 of the Guam Code Annotated was not achieved and a detailed plan as to how
21 compliance will be achieved within sixty (60) days after enactment of this Act.

22 **Section 5. Section 51106 Chapter 51 Title 11 of the Guam Code**
23 **Annotated, is hereby amended to read:**

24 **“§ 51106. Reports.**

25 (a) Monthly Reporting. The Tax Commissioner and the Director of
26 Administration *shall* report to *I Maga’lahen Guåhan* and *I Liheslaturan Guåhan*
27 regarding the total deposits in each month and the current balance of the Trust
28 Fund within fifteen (15) calendar days of the end of each month.

29 (b) Monthly Audit by the OPA. The Office of Public Accountability
30 shall perform a monthly audit on the Income Tax Refund Efficient Payment Trust
31 Fund and the compliance of the Director of the Department of Administration

1 with §51102 Chapter 51 Title 11 of the Guam Code Annotated. Said audit shall
2 include but is not limited to auditing the amounts of income tax, including but not
3 limited to, individual, corporate and withholding, inclusive of interest and
4 penalties, received by the Department of Revenue and Taxation and the deposits
5 made on a daily basis by the Director of the Department of Administration and the
6 Treasurer of Guam or any other government of Guam agency or instrumentality to
7 the Income Tax Refund Efficient Payment Trust Fund.

8 Any bond proceeds or other deposits not related to daily revenue
9 collection by the government of Guam shall be delineated separately and
10 footnoted in said report in compliance with Internal Revenue Code Privacy Act
11 provisions. The OPA shall prepare and provide a written report of compliance
12 with §51102 Chapter 51 Title 11 of the Guam Code Annotated within fifteen (15)
13 calendar days of the end of each month for the preceding month to *I Maga'låhen*
14 *Guåhan*, to the Speaker of *I Liheslaturan Guåhan*, and to the Attorney General of
15 Guam.”

16 **Section 6. Accounting Recognition of Tax Year 2009 ARRA Make Work Pay**
17 **Tax Credit in Fiscal Year 2010 and Fiscal Year 2011.**

18 The Bureau of Budget Management and Research and the Department of
19 Administration *shall* recognize all revenues from the Tax Year 2009 ARRA Make Work
20 Pay Tax Credit, inclusive of pass through tax credits estimated in Chapter I, Section 2
21 (A.) of Public Law 30-55 as amended by Chapter XIII, Section 21 of Public Law 30-196,
22 prior to the end of Fiscal Year 2011. The decision and subsequent recording into the
23 AS400 government of Guam financial management system of which fiscal year(s) to
24 recognize the Tax Year 2009 ARRA Make Work Pay Tax Credit transactions shall occur
25 no later than June 30, 2011. The Director of the Department of Administrations *shall*
26 provide a written report to *I Maga'låhen Guåhan* and to the Speaker of *I Liheslaturan*
27 *Guåhan* the decided amounts of Tax Year 2009 ARRA Make Work Pay Tax Credit
28 revenue recognized and recorded in the AS400 government of Guam financial
29 management system, by fiscal year, no later than July 5, 2011.

30 **Section 7. Accounting Recognition of Tax Year 2010 ARRA Make Work Pay**
31 **Tax Credit in Fiscal Year 2011.**

1 The Bureau of Budget Management and Research and the Department of
2 Administration *shall* recognize all revenues from the Tax Year 2010 ARRA Make Work
3 Pay Tax Credit, inclusive of pass through tax credits estimated in Public Law 30-55 and
4 Public Law 30-196, prior to the end of Fiscal Year 2011. The recording into the AS400
5 government of Guam financial management system of the Tax Year 2009 ARRA Make
6 Work Pay Tax Credit transactions shall occur no later than September 30, 2011. The
7 Director of the Department of Administrations *shall* provide a written report to *I*
8 *Maga'låhen Guåhan* and to the Speaker of *I Liheslaturan Guåhan* the decided amounts
9 of Tax Year 2009 ARRA Make Work Pay Tax Credit revenue recognized and recorded in
10 the AS400 government of Guam financial management system, by fiscal year, no later
11 than October 15, 2011.

12 **Section 8. Pledge of Section 30 Revenues for the Expansion of Okkodo High**
13 **School.**

14 (a) §58B102 of Title 5 Guam Code Annotated is hereby *amended* to read as
15 follows:

16 **“§ 58B102. Authorization to Enter into Long-Term Leases.**

17 For the purpose of facilitating the financing of the design, construction and
18 maintenance of an Education Facility encompassed by this Act, the government of
19 Guam or an Education Agency, as the case may be, is authorized to lease, if
20 required, to the Contractor sufficient government of Guam real property on which
21 to construct, convert or rehabilitate an Education Facility and to extend an
22 existing lease of real estate to the Contractor.

23 The Education Agency is also authorized to lease back from the
24 Contractor the property for a period mutually agreed upon between the Education
25 Agency and the Contractor as may be reasonably necessary to amortize over the
26 Lease-Back Period the costs associated with the financing, design and
27 construction of the Education Facility. In no event shall the end of such Lease-
28 Back Period be later than ~~the date thirty (30)~~ seventeen (17) years from the
29 scheduled date of completion of the Education Facility. The Lease-Back shall be
30 structured as an annually renewable lease with a provision for automatic renewals
31 to the extent that pledged revenue under §58B105 is available. ~~The Lease-Back~~

1 ~~shall not be construed as a debt under any applicable debt limitation under the~~
2 ~~Guam Organic Act or Guam law.~~

3 The additions and improvements to Okkodo High School shall include the
4 expansion of classrooms to accommodate the overcrowding, restroom facilities at
5 all outdoor sports fields, additional restrooms required by public health due to the
6 increase in student population, solar panels, the culinary arts building,
7 signalization, the track and field track with proper turf, collateral equipment, and
8 other projects needed to facilitate the expansion to accommodate the increase in
9 student population.”

10 (b) §58B105 of Title 5 Guam Code Annotated is hereby *amended* to read as
11 follows:

12 **“§ 58B105. Use of Qualified School Construction Bonds.**

13 To minimize the financing cost to the Education Agency, financing
14 utilized by the Contractor to fund the design and construction of the Education
15 Facility shall be through the use of Qualified School Construction Bonds in an
16 amount not to exceed Twenty-One Million Eight Hundred Eighteen Thousand
17 Dollars (**\$21,818,000**) as authorized under Section 1521 of P.L. 111-5 (The
18 American Recovery and Reinvestment Act of 2009) and the issuance of tax
19 exempt bonds or lease certificates, provided such financing is available at an
20 interest rate of no more than eight and a half percent (8.5%). Alternatively, the
21 Contractor may use an alternative method of financing, including, but not limited
22 to, a short term debt, mortgage, loan, federally guaranteed loan or loan by an
23 instrumentality of the United States of America, if such financing will better serve
24 the needs of the people of Guam. Such alternative financing shall be approved by
25 *I Liheslaturan Guåhan*. The purpose for the requirements of this Section is to
26 assure the Education Agency pays the lowest possible net interest rate so that the
27 cost to the Education Agency of financing the design and construction of an
28 Education Facility, amortized through the Lease-Back payments from the
29 Education Agency to the Contractor, will be lower than regular commercial rates.

30 (c) §58B106 of Title 5 Guam Code Annotated is hereby *amended* to read as
31 follows:

1 **“§58B106. Pledge of Section 30 Revenues.**

2 Rental payments under the Lease and the Lease-Back shall be secured by a
3 pledge or other reservation of revenues received by or on behalf of the
4 government of Guam from the United States of America pursuant to Section 30 of
5 the Guam Organic Act (48 U.S.C.A. Section 1421h). ~~Any pledge or reservation of~~
6 ~~Section 30 revenues authorized by the Act shall be subordinate only to the~~
7 ~~existing lien securing the Government of Guam Limited Obligation (Section 30)~~
8 ~~Bonds, Series 2001A.~~ Any amounts pledged as provided in this section are
9 hereby continuously appropriated for the purpose of making Lease-Back
10 payments, but any amounts only reserved as provided in this section, and not
11 pledged, shall be subject to annual appropriation for the purpose of making Lease-
12 Back payments.

13 Any such pledge or reservation authorized hereunder shall be valid and
14 binding from the time the pledge or reservation is made and shall be limited to
15 Two Million Nine Hundred Thousand Dollars **(\$2,900,000)** per year during the
16 Lease-Back Period, as prescribed in Section 3 of Public Law 30-178. The Section
17 30 revenues pledged or reserved and thereafter received by the government of
18 Guam or by any trustee, depository or custodian shall be deposited in a separate
19 account and shall be immediately subject to such reservation or the lien of such
20 pledge without any physical delivery thereof or further act, and such reservation
21 or the lien of such pledge shall be valid and binding against all parties having
22 claims of any kind in tort, contract or otherwise against the government of Guam
23 or such trustee, depository or custodian, irrespective of whether the parties have
24 notice thereof. The instrument by which such pledge or reservation is created
25 need not be recorded. The remainder of the funds from the existing lien, supra,
26 not utilized for this project shall be subject to legislative appropriation.”

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CHAPTER VI
DEFICIT REDUCTION AND COMPASSION FOR PEOPLE FIRST
ACT OF 2011

Section 1. Legislative Statement and Intent. *I Liheslaturan Guåhan* finds the payment to retirees who were eligible to be part of the class action suit, *Rios v. Camacho*, Superior Court No. SP0206-93 has yet to be paid in full by the government of Guam. *I Liheslaturan Guåhan* wishes to work toward the completion of the payment of the Cost of Living Allowance (COLA) awards to bring finality to this injustice the *manåmko* ' and their heirs have endured. These retired dedicated public servants struggle everyday find the resources for the most basic needs such as medical care, maintenance medications and providing daily nutrition needs and sometimes forgo such needs due to lack of financial resources.

I Liheslaturan Guåhan further finds that the current non-payment of income tax refunds to the people of Guam imparts undeserved financial burdens and hardships on the taxpayers of Guam and that the prioritization of the payments of tax refunds is of utmost importance to *I Liheslaturan Guåhan*. These emergency tax refunds are needed to help family members with needed life saving medical care, both on-island and off-island, save family homes, work transportation and even burying loved ones who are not able to get the medical care on time due to lack of financial resources.

I Liheslaturan Guåhan further finds that the Committee on Appropriations, Taxation, Public Debt, Banking, Insurance, Retirement, and Land (Committee) has diligently worked toward the reimbursement of the funds from the Guam Waterworks Authority (GWA) in accordance with Public Law 30-145, which requires that Twenty Million Dollars (**\$20,000,000**) of the principal amount of the GWA's Series Bond be used to pay the balance of the government of Guam Limited Obligation (Section 30) Series 2001A bond and any other portions of Bonds or Loans paid for by General Fund revenues for which the GWA has received proceeds.

I Liheslaturan Guåhan understands that the Committee had to work diligently in order to uphold the spirit and letter of Public Law 30-145, due to the incessant disregard of Public Law 30-145 by the Consolidated Commission on Utilities (CCU) and the GWA. On June 2, 2011, the Public Utilities Commission (PUC) dutifully and rightfully

1 upheld and ordered that the CCU and the GWA reimburse the government of Guam in
2 the amount of Eighteen Million Three Hundred Thirty Three Thousand Three Hundred
3 Thirty Three Dollars (**\$18,333,333**).

4 *I Liheslaturan Guåhan* further finds that the use of such reimbursed funds from
5 the GWA will not only decrease the government of Guam’s deficit by the cash infusion
6 of Eighteen Million Three Hundred Thirty Three Thousand Three Hundred Thirty Three
7 Dollars (**\$18,333,333**), but will provide a stimulus to our fragile economy. Therefore, it is
8 the intent of *I Liheslaturan Guåhan* to appropriate these reimbursed funds for the
9 purposes of COLA payments for retirees in accordance with the judgment rendered in
10 *Rios v. Camacho*, Superior Court No. SP0206-93 and paying emergency income tax
11 refunds.

12 **Section 2. Appropriation of Reimbursed Funds from the GWA.**

13 The sum of Eighteen Million Three Hundred Thirty Three Thousand Three
14 Hundred Thirty Three Dollars (**\$18,333,333**) reimbursed and received from the Guam
15 Waterworks Authority by the government of Guam in accordance with Public law 30-145
16 is hereby by authorized for the following:

17 (a) Fifty-percent (50%) of funds appropriated herein is hereby appropriated to pay
18 for income tax refunds for tax year 2009 and prior for “A-status returns” and approved
19 requests for emergency tax refunds payments filed with the Department of Revenue and
20 Taxation and shall be deposited by the bond trustee of the Guam Waterworks Authority
21 or any other entity from which such reimbursed funds are held, directly into the Income
22 Tax Refund Efficient Payment Trust Fund. For the purposes of this section, an A-status
23 return means income tax returns that are certified by the Department of Revenue and
24 Taxation and ready for payment.

25 (b) Fifty-percent (50%) of funds appropriated herein is hereby appropriated to the
26 Government of Guam Retirement Fund (GGRF) for the payment of principal and interest
27 that is owed to qualified retirees pursuant to *Rios v. Camacho*, Superior Court No.
28 SP0206-93 and shall be deposited by the bond trustee of the Guam Waterworks Authority
29 or any other entity from which such reimbursed funds are held, to the GGRF. Such
30 payment of principal and interest shall be prepared and disbursed in accordance with
31 Section 3 of this Law.

1 **Section 3. Cost of Living Allowance (COLA) Preparation and Disbursement**
2 **Provisions.**

3 (a) The Government of Guam Retirement Fund and the Department of
4 Administration (DOA) shall perform the preparation of payments to COLA recipients
5 according to Section 2(b) of this Act. Upon preparing COLA payments, the DOA shall
6 request from the Government of Guam Retirement Fund, the funds required to prepare
7 COLA payments and shall be paid out from the bank account set forth in Section 3(c).

8 (b) The disbursement provisions for the appropriation in Section 2(b) are
9 principal or interest from principal owed to claimants set forth in Title 5 Guam Code
10 Annotated, Chapter 6, Article 4, §6404(d)(1) starting with the claimant with the lowest
11 initial award from the class settlement, followed by the next lowest initial award from the
12 class settlement, followed by the next lowest initial award and repeating this
13 disbursement methodology until all the funds appropriated in Section 2(b) of this Act are
14 exhausted.

15 (c) The funds requested and received by the DOA in accordance with Section
16 3(a) *shall* be deposited into a bank account, separate and apart from the General Fund,
17 and *shall* only be withdrawn or expended for the payment of principal and interest that is
18 owed to qualified retirees pursuant to *Rios v. Camacho*, Superior Court No. SP0206-93.
19 Any funds transferred to the bank account set forth in this section, *shall not* be subject to
20 the transfer authority of *I Maga`lahen Guåhan*.

21 **Section 4. Reporting.** The DOA *shall* submit a written report regarding the
22 reimbursed funds from the Guam Waterworks Authority as indicated in Sections 2(a) and
23 2(b) as follows:

24 (a) A detailed, written report of the actual expenditure of the appropriation
25 and the total amount deposited into the Income Tax Refund Efficient Payment Trust Fund
26 as outlined in Section 2(a) of this Act shall be reported to *I Liheslaturan Guåhan* no later
27 than September 30, 2011.

28 (b) A detailed written report of the total amount requested from the
29 Government of Guam Retirement Fund, the total amount received from the Government
30 of Guam Retirement Fund, the total amount disbursed and paid to for the purposes set

1 forth in Section 2(b), and a reconciliation and explanation if there is/are any differences
2 between such totals to *I Liheslaturan Guåhan* within forty-five (45) days after being
3 reimbursed by the Guam Waterworks Authority.

4 *No* portion of this appropriation *shall* be used for purposes other than that are
5 specifically defined in Section 2 of this Act.

6 **Section 5. Severability.** If any provisions of this Law or the application thereof to any
7 person or circumstance is held invalid, such invalidity *shall* not affect any other provision
8 or application of this Law which can be given effect without the invalid provision or
9 application, and to this end the provisions of this Law are severable.

APPENDIX I

Health Insurance Bailout Agreement of FY 2011

Appendix I-A explicitly calculates and identifies the de-appropriation from Object Class 113 of the specific agencies, departments, and any other instrumentality of the government of Guam and the specific section in Public Law 30-196 as amended by Public Law 30-224 and the re-appropriation into the Health Benefit Fund to pay for health insurance premiums for government of Guam employees and retirees. The amount of \$6,837,736 represents the 'savings' as identified in Section 3 of Chapter XIII of Public Law 30-196.

FUNDING SOURCE AND AGENCY/DEPARTMENT	SECTION OF P.L. 30-196 AS AMENDED BY P.L. 30-224	AS-100 ACCOUNT NUMBER	CALCULATION OF HEALTH INSURANCE BAILOUT AGREEMENT OF FY 2011 "SAVINGS"								CALCULATED "SAVINGS"
			FY 2011 SALARIES AND BENEFITS APPROPRIATION			PER PAY PERIOD APPROPRIATION		PER PAY PERIOD (PPP) UAAI		PPP UAAI SAVINGS	
			111	113	SUBTOTAL	111	113	27.46%	21.44%		
GENERAL FUND		100A11									
OFFICE OF THE GOVERNOR	Chapter V, Section 2(a) & Chapter V, Section 2(v)	02	2,841,083	1,060,654	3,901,737	109,272	40,794	30,006	23,428	6,578	59,204
GUAM STATE CLEARINGHOUSE	Chapter V, Section 2(a)	03	660,318	180,772	841,090	25,397	6,953	6,974	5,445	1,529	13,760
BUREAU OF BUDGET & MANAGEMENT RESEARCH	Chapter V, Section 2(c)	04	210,762	31,221	241,983	8,106	1,201	2,226	1,738	488	4,392
CIVIL SERVICE COMMISSION	Chapter V, Section 2(d)	05	505,205	148,685	653,890	19,431	5,719	5,336	4,166	1,170	10,528
DEPARTMENT OF ADMINISTRATION	Chapter V, Section 2(e)	06	4,425,740	1,451,336	5,877,076	170,221	55,821	46,743	36,495	10,247	92,226
GUAM ELECTION COMMISSION	Chapter V, Section 2(f)	07	189,715	78,008	267,723	7,297	3,000	2,004	1,564	439	3,953
DEPARTMENT OF REVENUE & TAXATION	Chapter V, Section 2(g)	08	6,129,043	2,079,604	8,208,647	235,732	79,985	64,732	50,541	14,191	127,720
BUREAU OF STATISTICS AND PLANS	Chapter V, Section 2(h)	09	850,340	276,372	1,126,712	32,705	10,630	8,981	7,012	1,969	17,720
DEPARTMENT OF PUBLIC WORKS	Chapter V, Section 2(i)	10	5,753,100	1,946,010	7,699,110	221,273	74,847	60,762	47,441	13,321	119,886
DEPARTMENT OF LAW	Chapter VII, PART I, Section 2	11	5,614,795	1,837,091	7,451,886	215,954	70,657	59,301	46,300	13,000	117,004
GUAM POLICE DEPARTMENT	Chapter V, Section 2(l)	12	17,506,543	5,300,004	22,806,547	673,329	203,846	184,896	144,362	40,534	364,809
DEPARTMENT OF CORRECTIONS	Chapter V, Section 2(m)	13	10,200,075	2,970,917	13,170,992	392,311	114,266	107,728	84,111	23,617	212,554
DEPARTMENT OF AGRICULTURE	Chapter V, Section 2(n)	16	1,955,258	634,346	2,589,604	75,202	24,398	20,651	16,123	4,527	40,745
DEPARTMENT OF PUBLIC HEALTH & SOCIAL SERVICES	Chapter III, Part II, Section 2	17	1,654,100	485,605	2,139,705	63,619	18,677	17,470	13,640	3,830	34,469
GUAM PUBLIC LIBRARY	Chapter V, Section 2(o)	18	794,629	242,515	1,037,144	30,563	9,328	8,393	6,553	1,840	16,559
DEPARTMENT OF YOUTH AFFAIRS	Chapter V, Section 2(p)	20	2,587,873	887,361	3,475,234	99,534	34,129	27,332	21,340	5,992	53,927
DEPARTMENT OF MENTAL HEALTH & SUBSTANCE	Chapter III, Part III, Section 2	23	3,180,625	1,005,470	4,186,095	122,332	38,672	33,592	26,228	7,364	66,279
DEPARTMENT OF LABOR / AHRD	Chapter V, Section 2(q)	24	237,312	53,043	290,355	9,127	2,040	2,506	1,957	549	4,945
DEPARTMENT OF PARKS AND RECREATION	Chapter V, Section 2(s)	25	2,125,768	723,627	2,849,395	81,760	27,832	22,451	17,529	4,922	44,298
DEPARTMENT OF INTEGRATED SERVICES FOR INDIVIDUALS	Chapter III, Part IV, Section 2	26	292,726	99,856	392,582	11,259	3,841	3,092	2,414	678	6,100
MAYOR'S COUNCIL	Chapter VIII, Section 1	28	4,774,796	1,633,582	6,408,378	183,646	62,830	50,429	39,374	11,055	99,499
CHIEF MEDICAL EXAMINER	Chapter V, Section 2(u)	30	258,771	83,236	342,007	9,953	3,201	2,733	2,134	599	5,392
DEPARTMENT OF CHAMORRO AFFAIRS	Chapter V, Section 2(x)	36	571,435	190,250	761,685	21,978	7,317	6,035	4,712	1,323	11,908
DEPARTMENT OF MILITARY AFFAIRS	Chapter V, Section 2(y)	37	100,235	15,270	115,505	3,855	587	1,059	827	232	2,089
GUAM FIRE DEPARTMENT	Chapter V, Section 2(aa)	42	16,778,898	4,432,363	21,211,261	645,342	170,476	177,211	138,361	38,850	349,646
EDUCATION SURUHANU	Chapter II, Part II, Section 1	49	109,172	35,821	144,993	4,199	1,378	1,153	900	253	2,275
PBS GUAM	Chapter V, Section 2(cc)	63	377,704	133,889	511,593	14,527	5,150	3,989	3,115	875	7,871
GUAM COMMISSION FOR EDUCATOR CERTIFICATION (GCEC)	Chapter II, Part III, Section 1	76	143,136	47,101	190,237	5,505	1,812	1,512	1,180	331	2,983
OFFICE OF PUBLIC ACCOUNTABILITY	Chapter IX, PART I, Section 2	99	739,113	252,957	992,070	28,427	9,729	7,806	6,095	1,711	15,402

APPENDIX I

Health Insurance Bailout Agreement of FY 2011

Appendix I-A explicitly calculates and identifies the de-appropriation from Object Class 113 of the specific agencies, departments, and any other instrumentality of the government of Guam and the specific section in Public Law 30-196 as amended by Public Law 30-224 and the re-appropriation into the Health Benefit Fund to pay for health insurance premiums for government of Guam employees and retirees. The amount of \$6,837,736 represents the 'savings' as identified in Section 3 of Chapter XIII of Public Law 30-196.

FUNDING SOURCE AND AGENCY/DEPARTMENT	SECTION OF P.L. 30-196 AS AMENDED BY P.L. 30-224	AS-400 ACCOUNT NUMBER	CALCULATION OF HEALTH INSURANCE BAILOUT AGREEMENT OF FY 2011 "SAVINGS"								CALCULATED "SAVINGS"	
			FY 2011 SALARIES AND BENEFITS APPROPRIATION			PER PAY PERIOD APPROPRIATION		PER PAY PERIOD (PPP) AAL		PPP) AAL SAVINGS	PPP) AAL SAVINGS @ PAY PERIODS	
			OBJECT CLASS 111	OBJECT CLASS 113	SUBTOTAL	111	113	27.46%	21.44%			
TERRITORIAL HIGHWAY FUND		208A11										
DEPARTMENT OF PUBLIC WORKS	Chapter V, Section 2(i)	10	4,751,396	1,555,312	6,306,708	182,746	59,820	50,182	39,181	11,001		99,012
GUAM REGIONAL TRANSIT AUTHORITY	Chapter V, Section 2(dd)	99	245,253	82,659	327,912	9,433	3,179	2,590	2,022	568		5,111
CUSTOMS, AGRICULTURE AND QUARANTINE INSPECTION FUND		209A11										
CUSTOMS AND QUARANTINE AGENCY	Chapter V, Section 2(w)	32	5,837,235	1,804,776	7,642,011	224,509	69,414	61,650	48,135	13,515		121,639
GUAM CONTRACTORS		213A11										
DEPARTMENT OF PUBLIC WORKS	Chapter V, Section 2(i)	10	349,305	126,097	475,402	13,435	4,850	3,689	2,880	809		7,279
P.E.A.L.S. FUND		215A11										
DEPARTMENT OF PUBLIC WORKS	Chapter V, Section 2(i)	10	75,313	23,910	99,223	2,897	920	795	621	174		1,569
LAND SURVEY REVOLVING FUND		222A11										
DEPARTMENT OF ADMINISTRATION	Chapter V, Section 2(e)	06	57,748	17,079	74,827	2,221	657	610	476	134		1,203
DEPARTMENT OF LAND MANAGEMENT	Chapter V, Section 2(t)	29	1,729,020	594,612	2,323,632	66,501	22,870	18,261	14,258	4,003		36,030
L.O. HIGHWAY BOND 2001A-CPF		224A11										
DEPARTMENT OF PUBLIC WORKS	Chapter V, Section 2(i)	10	553	28,021	28,574	21	1,078	6	5	1		12
FIRE LIFE MEDIC EMERGENCY FUND		231A11										
GUAM FIRE DEPARTMENT	Chapter V, Section 2(aa)	42	462,000	138,000	600,000	17,769	5,308	4,879	3,810	1,070		9,627
MANPOWER DEVELOPMENT FUND		232A11										
DEPARTMENT OF LABOR / AHRD	Chapter V, Section 2(f)	24	664,629	216,341	880,970	25,563	8,321	7,020	5,481	1,539		13,850
DPW BUILDING & DESIGN FUND		235A11										
DEPARTMENT OF PUBLIC WORKS	Chapter V, Section 2(i)	10	299,488	88,777	388,265	11,519	3,415	3,163	2,470	693		6,241
GUAM ENVIRONMENTAL FUND		245A11										
GUAM ENVIRONMENTAL PROTECTION AGENCY	Chapter V, Section 2(q)	22	93,128	33,321	126,449	3,582	1,282	984	768	216		1,941
AIR POLLUTION CONTROL		265A11										
GUAM ENVIRONMENTAL PROTECTION AGENCY	Chapter V, Section 2(q)	22	139,129	48,830	187,959	5,351	1,878	1,469	1,147	322		2,899
ENHANCED 911 EMERGENCY REPORT SYSTEM		281A11										
GUAM FIRE DEPARTMENT	Chapter V, Section 2(aa)	42	788,915	241,823	1,030,738	30,343	9,301	8,332	6,506	1,827		16,440
WATER PROTECTION FUND		283A11										
GUAM ENVIRONMENTAL PROTECTION AGENCY	Chapter V, Section 2(q)	22	20,946	8,607	29,553	806	331	221	173	48		436
WATER RESEARCH AND DEVELOPMENT		3A11										
GUAM ENVIRONMENTAL PROTECTION AGENCY	Chapter V, Section 2(q)	22	28,855	8,797	37,652	1,110	338	305	238	67		601
INCOME TAX REF EFFICIENT PAYMENT TRUST FUND		321A11										
DEPARTMENT OF REVENUE & TAXATION	Chapter V, Section 2(g)	08	2,260,295	968,698	3,228,993	86,934	37,258	23,872	18,639	5,233		47,101
CUSTOMS, AGRICULTURE AND QUARANTINE INSPECTION FUND		329A11										
DEPARTMENT OF ADMINISTRATION	Chapter V, Section 2(e)	06	171,731	71,073	242,804	6,605	2,734	1,814	1,416	398		3,579
SOLID WASTE OPERATIONS FUND		416A11										
DEPARTMENT OF PUBLIC WORKS	Chapter V, Section 2(i)	10	1,403,213	496,767	1,899,980	53,970	19,106	14,820	11,571	3,249		29,241
GUAM ENVIRONMENTAL PROTECTION AGENCY	Chapter V, Section 2(q)	22	57,180	14,206	71,386	2,199	546	604	472	132		1,192
ENVIRONMENTAL HEALTH FUND		6A11										
DEPARTMENT OF PUBLIC HEALTH & SOCIAL SERVICES	Chapter III, Part II, Section 2	17	368,332	130,627	498,959	14,167	5,024	3,890	3,037	853		7,675

APPENDIX I

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Appendix I-A explicitly calculates and identifies the de-appropriation from Object Class 113 of the specific agencies, departments, and any other instrumentality of the government of Guam and the specific section in Public Law 30-196 as amended by Public Law 30-224 and the re-appropriation into the Health Benefit Fund to pay for health insurance premiums for government of Guam employees and retirees. The amount of \$6,837,736 represents the 'savings' as identified in Section 3 of Chapter XIII of Public Law 30-196.

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			FY 2011 SALARIES AND BENEFITS APPROPRIATION			PER PAY PERIOD APPROPRIATION		PER PAY PERIOD (PPP) CAAL		PPP CAAL SAVINGS		
			111	113	SUBTOTAL	111	113	27.46%	21.44%			
HEALTHY FUTURES FUND												
DEPARTMENT OF PUBLIC HEALTH & SOCIAL SERVICES	Chapter III, Part II, Section 2	602A11	17	3,894,219	1,264,147	5,158,366	149,778	48,621	41,129	32,112	9,017	81,150
DEPARTMENT OF YOUTH AFFAIRS	Chapter V, Section 2(p)	20	105,818	38,185	144,003	4,070	1,469	1,118	873	245	2,205	
DEPARTMENT OF MENTAL HEALTH & SUBSTANCE	Chapter III, Part III, Section 2	23	2,195,160	670,304	2,865,464	84,429	25,781	23,184	18,102	5,083	45,744	
GUAM DEPARTMENT OF EDUCATION	Chapter II, Part I, Section 2	99	230,520	16,779	247,299	8,866	645	2,435	1,901	534	4,804	
TAX COLLECTION ENHANCEMENT FUND												
DEPARTMENT OF REVENUE & TAXATION	Chapter V, Section 2(g)	603A11	08	504,875	137,737	642,612	19,418	5,298	5,332	4,163	1,169	10,521
GPSS OPERATIONS FUND												
GUAM DEPARTMENT OF EDUCATION	Chapter II, Part I, Section 2	618A11	99	106,831,658	35,595,594	142,427,252	4,108,910	1,369,061	1,128,307	880,950	247,356	2,226,207
PUBLIC RECREATION SERVICES FUND												
DEPARTMENT OF PARKS AND RECREATION	Chapter V, Section 2(s)	620A11	25	154,000	46,000	200,000	5,923	1,769	1,626	1,270	357	3,209
CHAMORRO LAND TRUST OPERATIONS												
DEPARTMENT OF ADMINISTRATION	Chapter V, Section 2(e)	624A11	06	34,379	9,939	44,318	1,322	382	363	283	80	716
CHAMORRO LAND TRUST COMMISSION	Chapter V, Section 2(bb)	99	424,965	160,190	585,155	16,345	6,161	4,488	3,504	984	8,856	
INDIRECT COST FUND												
GUAM STATE CLEARINGHOUSE	Chapter V, Section 2(a)	632A11	03	239,673	79,930	319,603	9,218	3,074	2,531	1,976	555	4,994
BUREAU OF BUDGET & MANAGEMENT RESEARCH	Chapter V, Section 2(c)	04	825,016	259,435	1,084,451	31,731	9,978	8,713	6,803	1,910	17,192	
DEPARTMENT OF ADMINISTRATION	Chapter V, Section 2(e)	06	694,355	239,941	934,296	26,706	9,229	7,333	5,726	1,608	14,469	
		SUBTOTAL		227,506,571	73,533,480	301,040,051	8,750,253	2,828,211	2,402,819	1,876,054	526,765	4,740,887
GENERAL AND SPECIAL FUNDS												
ANCESTRAL LANDS COMMISSION	Chapter V, Section 2(b)			128,399	43,136	171,535	4,938	1,659	1,356	1,059	297	2,676
CONTRACTORS LICENSING BOARD	Chapter V, Section 2(j)			342,835	126,097	468,932	13,186	4,850	3,621	2,827	794	7,144
PEALS BOARD	Chapter V, Section 2(k)			72,862	23,910	96,772	2,802	920	770	601	169	1,518
UNIVERSITY OF GUAM	Chapter II, Part IV, Section 2(a)			\$22,754,962	\$7,442,837	30,197,799	875,191	286,263	240,327	187,641	52,686	474,178
GUAM COMMUNITY COLLEGE	Chapter II, Part V, Section 2(a)			\$8,395,455	\$2,819,913	11,215,369	322,902	108,458	88,669	69,230	19,439	174,948
UNIFIED JUDICIARY	Chapter IV, Section 1			\$15,053,002	\$4,996,998	20,050,000	578,962	192,192	158,983	124,129	34,853	313,681
GUAM LEGISLATURE	Chapter VI, Section 1 & Chapter VI, Section 2			\$2,310,172	\$634,373	2,944,546	88,853	24,399	24,399	19,050	5,349	48,140
PUBLIC DEFENDER SERVICE CORPORATION	Chapter VII, PART II, Section 1			\$2,322,754	\$719,458	3,042,212	89,337	27,671	24,532	19,154	5,378	48,403
GUAM MEMORIAL HOSPITAL AUTHORITY	Chapter III, PART I			\$49,243,567	\$15,580,656	64,824,223	1,893,983	599,256	520,088	406,070	114,018	1,026,160
		SUBTOTAL		100,624,009	32,387,379	133,011,388	3,870,154	1,245,668	1,062,744	829,761	232,983	2,096,850
		GRAND TOTAL		328,130,580	105,920,859	434,051,439	12,620,407	4,073,879	3,465,564	2,705,815	759,748	6,837,736

¹ Estimated based on FY 2011 budget requests submitted by Branches/Agencies by Object Class 111 & 113

² Estimated based on Government of Guam Retirement Fund Estimate
 100% Federal Grants not included for FY 2011
 100% Federal Continuing Grants not included

APPENDIX II

Cost Containment Measures Prospective Savings

Source: Bureau of Budget Management & Research

Department	Reg Salary	OT/SPay	Benefits	Travel	Contractual	Rental	Supplies	Equip	Misc	Power	Water	Telephone	CapOutlay	Total Funds	Breakdown by Fund		
	111	112	113	220	230	233	240	250	290	361	362	363	450		General Fund	Special Fund	
1 Administration														\$0	1/	\$0	
2 Agriculture														\$0	2/	\$0	
3 Ancestral Lands Commission	\$5,347					\$13,056								\$18,403		\$18,403	
4 BBMR				\$8,853										\$8,853		\$8,853	
5 Bu of Stats & Plans												\$2,048		\$2,048		\$2,048	
6 Chamorro Affairs										\$34,825				\$34,825		\$34,825	
7 Chamorro Land Trust	\$16,093		\$4,652	\$3,600	\$46,000									\$70,345		\$70,345	
8 Chief Medical Examiner	\$480		\$140		\$3,000		\$3,219	\$4,285	\$35					\$11,159		\$11,159	
9 Civil Service Commission	\$54,205		\$27,527											\$81,733		\$81,733	
10 Comm. On Decolonization														\$0		\$0	
11 Contractors License Board	\$21,389			\$8,000										\$29,389		\$29,389	
12 Corrections	\$0				\$293,000									\$293,000		\$293,000	
13 Customs & Quarantine	\$60,850		\$19,927						\$2,450					\$83,227		\$83,227	
14 DISID					\$8,000	\$43,867	\$4,000					\$4,003		\$59,870		\$59,870	
15 Education														\$0		\$0	
16 GCAHA														\$0		\$0	
17 GCC														\$0		\$0	
18 GHURA	\$71,113		\$28,445	\$8,000	\$4,479		\$2,785	\$3,500		\$1,000				\$119,322		\$119,322	
19 GDDC														\$0		\$0	
20 GEPA														\$0		\$0	
21 GMHA	\$116,948												\$165,000	\$281,948		\$281,948	
22 Guam Board of Accountancy														\$0		\$0	
23 Guam Certification Office														\$0		\$0	
24 Guam Election Commission														\$0		\$0	
25 Guam Fire	\$77,077	\$12,995	\$26,792				\$15,000			\$10,000		\$3,600		\$145,464		\$145,464	
26 Guam Police					\$10,000									\$10,000	5/	\$10,000	
27 Guam Regional Transit Auth					\$1,996,140									\$1,996,140		\$1,996,140	
28 Gsclearinghouse - See Gov's Ofc.														\$0		\$0	
29 Guam Visitors Bureau														\$0		\$0	
30 Labor/AHRD	\$43,356		\$6,374											\$49,730		\$49,730	
31 Land Management					\$16,495	\$137,808								\$154,303		\$154,303	
32 Library														\$0		\$0	
33 Mayors Council														\$0		\$0	
34 MHSA	\$116,948												\$165,000	\$281,948		\$281,948	
35 Military Affairs	\$67,159									\$144,819	\$2,000	\$1,000		\$214,978		\$214,978	
36 Offc of the Educ Suruhanu					\$3,000	\$14,000	\$4,500					\$2,000		\$23,500		\$23,500	
37 Office of Attorney General														\$0		\$0	
38 Office of Public Accountability	\$51,986		\$19,184		\$10,830		\$3,000							\$85,000		\$85,000	
39 Office of the Governor										\$90,000				\$90,000	9/	\$90,000	
40 Parks & Recreation	\$39,855		\$19,074		\$10,096					\$23,776	\$37,056	\$5,292		\$135,149		\$135,149	
41 PBS Guam (KGTF)							\$4,800			\$960	\$480			\$6,240		\$6,240	
42 Port Authority of Guam														\$0		\$0	
43 PEALS Board														\$0	10/	\$0	
44 PHSS														\$0	11/	\$0	
45 Public Works														\$0	12/	\$0	
46 Retirement Fund														\$0	13/	\$0	
47 Revenue and Taxation	\$59,762		\$20,156		\$50,000		\$5,000							\$134,918		\$134,918	
48 UOG														\$0		\$0	
49 Veterans Affairs														\$0		\$0	
50 Youth Affairs														\$0		\$0	
TOTAL	\$802,568	\$12,995	\$172,272	\$28,453	\$2,451,040	\$208,731	\$42,304	\$7,785	\$2,485	\$305,380	\$39,536	\$17,943	\$330,000	\$4,421,491		\$3,872,624	\$548,867

APPENDIX III

Transfer Authority of Unexpended Appropriations Resulting from Cost Containment Savings

	From	To
Agency/ Department	Department #1	Department #2
Fiscal Year	FY 2010	FY 2011
Object Class	1XX	1XX
Amount of Transfer	\$1XX,XXX	\$1XX,XXX
Description	Description of Original Purpose: To provide funding to cover...	Description of New Purpose: To provide funding for

- 1) Benita Manglona
- 2) John P. Camacho
- 3) CAROL PABLO (IWAN)
- 4) Marie Beinto
- 5) Fred E. Bordallo Jr (in support)
- 6) Michael E. D. Aguon (IW-support)
- 7) Marilyn O. Ceforge ASC (GFD) For in favor
- 8) Edward L. Flores (in support of) GFD Bill 145
- 9) Vivian Perez-Quintero (in support) Bill 145
- 10) Joey San Nicolas (in support) GFD
- 11) Ronald J. Santos (in support of GFD)
- 12) RONALD P. CHIGUILA (in support of GFD BUDGET REQUEST)
- 13) Philip J.E. Camacho (in support of GFD Supplemental Budget)
- 14) Manny Cruz (in support) Dept of Agriculture
- 15) Ivan Quinata (support) GEPA
- 16) MARIA CENZON (JUDICIARY OF GUAM)
- 17) Segregado M. Poma (DOC)
- 18) Jose M. Poma (Citizen of Guam)
- 19) David V. Camacho - Executive Dir. GARC
- 20) Joan Leon Guasera - Land Agent GARC
- 21) Zenny Nae - University of Guam
- 22) PAUL PABLO - Rev. FTOF
- 23) Herbert Fukuda REV F TOY
- 24) ~~William Fajingfong~~ ~~BBMP~~
WILLIAM FAJINGFONG - BBMP
- 25) DIANA T. BERNARDO, CONTROLLER GERP
- 26) Euphe Inate, GERP legal counsel
- 27) Mae TA. Quetugua, DOC
- 28) Samuel T. D... ..

Continued.

Continued

29. Mark A. Fleming DOC
30. Frank J. Garcia III, DOC
31. Dean J. Taitague DOC
32. Praka R. McCormick, DOC
33. Lisa Monique T. Caspino, Dept. of Corrections
34. Chiara R. Sgambellun / DOC
35. GEORGE P. PATAWARAN / DOC
36. Manuel N. Camo / MOC
37. Ron Santos - DOC
39. Michael F. Unanue / GFD
40. Maryhelen S. Litman
41. Paul Palmeri GFD
42. John Borch GFD
43. Katrina San Nicolas
44. Angustia M. San Nicolas - ~~DOC~~
45. Alan S. San Nicolas DOC
46. JUNE C. USON / DOC
47. Ric M. San Guernero (GPD) in support of
48. CAPT MARK C. CHAMPAGNE BPD / SUPPORT
49. John P. SANTOS - GFD
50. CAPT. ANDY ARUO - GFD - SUPPORT
51. Gabriel G. Canales
52. Ronald A Ruiz GFD Support
53. Patricia Lee. Guerra - GFD Support
54. Japitana Richard J. - GFD Support
55. D. O'BRIEN Job



GOVERNMENT OF GUAM
RETIREMENT FUND
 STABILITY · SECURITY · REWARDS

Eddie Baza Calvo
 Governor

Ray Tenorio
 Lieutenant Governor

Paula M. Blas
 Director

Trustees:

Joe T. San Agustin
 Chairman

Wilfred P. Leon Guerrero, Ed.D.
 Vice-Chairman
 Investment Committee, Chairman

Antolina S. Leon Guerrero
 Secretary

Gerard A. Cruz
 Treasurer
 Audit & Operations Committee,
 Chairman

George A. Santos
 Members' & Benefits Committee,
 Chairman

Katherine T.E. Taitano
 Trustee

Wilfred G. Aflague
 Trustee

May 19, 2011

The Honorable Vicente Pangelinan
 Chairperson, Committee on Appropriations, Taxation, Public Debt, Banking, Insurance,
 Retirement & Land
 I Mina'Trentai Unu Na Liheslaturan Guahan

Re: Government of Guam retirement Fund Position Statement on Bill 184-31

Dear Senator Pangelinan:

On behalf of the Board of Trustees of the Government of Guam Retirement Fund, I hereby submit the Retirement Fund's Position Statement regarding Bill 184-31. To summarize the points made in the Position Statement:

1. The Retirement Fund objects to the enactment of Section 3 of Bill 184. Section 3 contends that the Retirement Fund has received an overpayment of \$15 million. However, the Fund received those funds as part of a compromise with the Legislature during a time when DOE and GMHA were severely delinquent in paying retirement contributions. The \$15 million payment to the Retirement Fund was the only way in which the Fund allowed DOE and GMHA employees to retire without the retirements being detrimental to the Fund's corpus. The Retirement Fund considers Bill 184, which reverses the funding after the Fund allowed the retirements and has disbursed the \$15 million received, to be in bad faith.

2. The Office of Public Accountability did not consult the Fund before issuing its report alleging that the Fund received an overpayment of \$15 million. The Fund questions the OPA's methodology. The Fund also contends that if Bill 184 is enacted, the Fund will act to recover lost investment opportunity income stemming back to 1996. In such case, the amounts owing to the Fund will approximate to \$33 million, more than double what is being identified as the \$15 million overpayment received by the Fund.

3. The Fund is mandated by a Superior Court order to challenge legislation that impairs the Fund's ability to provide benefits, and to decline to process retirement applications if contributions are not being made. If Bill 184 is enacted, the Fund will challenge the legislation. In the meantime, should any agency not pay contributions pursuant to Bill 184, the Fund will declare those agencies in default. It will also suspend annuity payments to the 7,000 retirees and survivors.

Thank you for the opportunity to provide comment to Bill 184.


JOE T. SAN AGUSTIN
 Chairman

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GOVERNMENT OF GUAM RETIREMENT FUND

POSITION STATEMENT REGARDING BILL 184-31

The Government of Guam Retirement Fund has grave concerns regarding Bill 184, and particularly, Section 3 of Bill 184.

Bill 184 proposes that \$15 million previously received by the Retirement Fund since 2005 be recharacterized to offset DOE and GMHA's long-outstanding liabilities to the Fund. In a recent Office of Public Accountability Report, the OPA identified \$15 million as "overpayments" to the Retirement Fund. The Retirement Fund respectfully disagrees with the OPA's analysis.

The \$15 million derived from Public Law No. 28-38, which was later amended by Public Law No. 30-196. Public Law No. 28-38 fashioned a creative solution allowing DOE and GMHA employees to retire so long as the Retirement Fund received adequate funding to maintain the fiscal integrity of the Fund as a whole. The solution provided a means to make up for lost investment opportunities had DOE and GMHA timely paid its contributions over a period of the prior eight years.

Bill 184, however, redirects those six years' worth of lost opportunity investment payments to fund currently due contributions. Since 2005, the Retirement Fund has utilized the Public Law No. 28-38 funds to meet pension payrolls; in other words, the \$15 million has already been fully disbursed. If the funds are utilized to offset other obligations or are redirected to pay non-Retirement Fund obligations, the Retirement will realize an actual loss of \$15 million. This is no small figure for the Fund, which concurrently faces \$2 billion in unfunded liabilities by the government of Guam.

The Retirement Fund can only conclude that Section 3 of Bill 184 is highly irresponsible. The Retirement Fund acknowledges that the Government is experiencing a budget shortfall. As explained below, the solution to the shortfall does not lie in legislative enactments which reverse a carefully negotiated agreement, that is, Public Law No. 28-38, to provide the Fund with money that it would have earned had contributions been made on a timely basis. The solution does not lie in allowing GMHA to escape its contribution obligations, and to turn a blind eye away from GMHA's theft from its own employees. The solution does not lie in forcing the Fund to suspend pension payrolls to 7,000 retirees and survivors, and to potentially halt or cease all retirement applications.

The Retirement Fund respectfully urges the Legislature to reject section 3 of Bill 184.

I. The History of Public Law 28-38

GMHA's delinquencies are not a new or recent phenomenon. GMHA has been consistently delinquent in paying its employer and employee contributions since 1996. By 2004, GMHA's total arrearage to the Retirement Fund was almost \$17 million. By the Order of the Superior Court of Guam in *Bautista v. Perez*, Superior Court of Guam Civil Case No. CV 1848-

01, the Fund was mandated to not accept any applications for retirement from GMHA employees, as doing so would be detrimental to the rest of the Fund's members and because the Fund simply did not have the resources to allow retirement without endangering the corpus of the Fund.

The Retirement Fund could approve retirement applications only in a way that would not harm the Fund. In compromise, the Retirement Fund accepted all pending GMHA retirement applications in exchange for the guaranteed payments provided to the Fund under Public Law No. 28-38. Specifically, Public Law No. 28-38 directed the Treasurer of Guam to pay monthly payments of \$192,955.07 for DOE's delinquency and \$190,501.19 for GMHA's delinquency. In turn, "[a]fter the Treasurer of Guam has made the first monthly payment . . . , the Government of Guam Retirement Fund shall accept and approve for retirement any eligible employee of the Department of Education or the Guam Memorial Hospital Authority upon the condition that the respective agency's employer and employee contributions to the Fund for the applicable fiscal year are current and paid in full." P.L. 28-38, § 1. Finally, the law created a judicial remedy, allowing the Fund to file a Petition for Writ of Mandamus to compel the payment of funds. P.L. No. 28-38, § 2. The remedy has been codified as 4 G.C.A. § 8137(h). The Fund has since utilized the section 8137(h) remedy in bringing a Petition for Writ of Mandamus to compel GMHA to pay currently outstanding contributions. That matter is under advisement before Judge Perez.

Public Law 28-38 described the payments as "interest only" payments. However, the payments were not meant to make up for "interest" payments owing from the agencies. Instead, the payments were to allow the Fund to recover interest it would have earned on contributions that were not timely remitted. Moreover, the monthly payments aimed to deter agencies from ignoring the mandates of the retirement laws governing contributions. Since Public Law No. 28-38, with the exception of GMHA, most other agencies began to make their contribution obligations in a timely manner in order to avoid the hefty financial repercussions. Public Law No. 28-38 also aimed to reach a compromise so that employees could retire without violating the Order of the Superior Court of Guam in *Bautista v. Perez*. Finally, it offered the Fund some protection so that it had a reasonable opportunity to make up investment gains after receiving virtually no funds from GMHA for almost a decade.

Public Law No. 28-38 was later amended by Public Law No. 30-196 on September 1, 2010. Without consulting the Fund, the Legislature enacted Public Law No. 30-196 to lessen the monthly payment amounts: \$30,000 to be directed towards DOE's deficiency, and \$25,000 towards GMHA's deficiency. These monthly payment figures were derived by taking the five-year average rate of return and multiplying by one-twelfth (1/12). These amounts did not take into account actual rates of return. In fact, using this formula, which amounts to a 5% rate of return, is vastly less than the 12.3% annual rate of return for Fiscal Year 2010, the 7.5% annual rate of return for Fiscal year 2009, and even less than the actuarial rate of 7%. As it continues to receive Public Law No. 30-196 funds, the Retirement Fund remains underfunded.

II. The Public Law No. 28-38 Payments Were *Not* "Overpayments"

As described above, the Public Law No. 28-38 payments provided the Fund with the opportunity to recover some of its reduction in corpus and lost investment earnings following a

decade of no contributions by GMHA. As the payments continued to be made on a monthly basis, the Fund used the money not to restore corpus but to fund pension payrolls. This practice continues to the present day. The Fund is harmed because the corpus was never restored. The Fund is further harmed because if Bill 184 is enacted, the Fund will no longer be able to meet retiree's payroll pensions.

Even accepting the misguided belief that Public Law No. 28-38 gave the Fund more than what it would have earned if one takes into account the actual or average rate of return, what needs to be emphasized is that Public Law 28-38 was a compromise. As part of that compromise, the agreed-upon payments were established to provide the Fund with lost opportunity investment income. The Fund did not enforce an average or actual rate of return, but instead accepted the compromise under Public Law No. 28-38. If Bill 184 is enacted, the methodology established thereunder should apply retroactively to 1996, when GMHA's delinquency began. In order to recover the missed investment income, the Fund will re-calculate the actual and/or average rates of return, and will charge the Government of Guam for those liabilities which actually occurred since 1996. The Retirement Fund currently estimates that the total in "lost opportunity income" since 1996 based on prior year rates of return amounts to over \$20 million for GMHA and \$13 million for DOE. The Government will owe *more* to the Retirement Fund than just the "overpayment" of \$15 million, which accounts for lost investment opportunities only since 2005. The bottom line is that the actual prior year returns from 1996 to 2010 for GMHA, and from 2004 to 2010 for DOE, is approximately \$33 million.

III. Bill 184 Rescinds the Carefully Constructed Compromise Achieved by Public Law No. 28-38

If Bill 184 is enacted, the Retirement Fund will have considered the agreement reached under Public Law No. 28-38 to be revoked. However, the Fund has already allowed GMHA employees to retire, per the Public Law No. 28-38. This loss of investment opportunity incomes, plus the payout of retirement pensions to those employees who were allowed to retire, absolutely impacts the Fund.

IV. Bill 184 Unlawfully Shifts Liability for *Employee* Contributions to the Fund.

Section 3 of Bill 184 states that "the General Fund will make the payments for the appropriations . . . and will offset its receivables, due from GGRF, with its liabilities to the GGRF for current fiscal year government contributions of departments and agencies until the sum of \$15,442,267 is fully realized. The government contributions for departments and agencies shall be offset from the overpayments to the GGRF."

Bill 184 will in essence wipe out what GMHA owes the Retirement Fund from its employees' contributions. This means that the Retirement Fund will be forced to pay employee contributions out of what it already received as Public Law No. 28-38 funds. As already stated, those funds have already all been paid out as payroll pensions to retirees. In essence, the Retirement Fund does not have the money to pay for these new obligations. It also has no legal obligation to, as the law expressly mandates all agencies to deduct their employee contributions and to pay them, along with the employer contributions, over to the Retirement Fund. 4 G.C.A. § 8208.

On the Defined Contribution Plan side, if agencies do not pay over the employee contributions, those employees will miss out on market gains. Those agencies, like GMHA, will be in default and the Fund will take legal action. In the GMHA case, for almost a year now, GMHA employees in the Defined Contribution Plan have missed out on opportunities to grow their retirement accounts because GMHA fails over amounts deducted from employees' paychecks as retirement contributions. This is the subject of two lawsuits, one brought by the Retirement Fund, and another brought in a class action. GMHA's practice of stealing from its employees is intolerable and unlawful. Now Bill 184 wants the Retirement Fund to pick up the tab for GMHA's theft, and to allow other agencies to have the same benefit of not having to pay over Defined Contribution Plan contributions. These practices violate labor laws.

V. The Government of Guam Has Contractual Obligations to *All* Members of the Fund

The Government of Guam Retirement Fund recognizes that the Legislature has the authority to enact laws affecting the Fund. However, the Legislature's powers are *not* unlimited. The Legislature may *not* take any action that violates the United States Constitution's prohibition against a state passing any "law impairing the obligation of contracts." *Constit., Art. I, § 10(1)*. Guam's Organic Act similarly states that "No . . . law impairing the obligation of contracts shall be enacted." 48 U.S.C. § 1421b(j).

The government of Guam, in fact, holds a contractual relationship with all members of the Government of Guam Retirement Fund, as evident in the language of Guam law. "It is the intent of [Chapter 8, Title 4 of the Guam Code] that the payment of the required contributions by the Government shall be an *obligation* of the Government . . ." 4 G.C.A. § 8168 (emphasis added). Notably, Chapter 8 includes both the DB Plan and the DC Plan. Chapter 8 also gives DB members a "vested interest" in the payment of contributions, and that "each member . . . shall be conclusively deemed to undertake and agree to pay the [employee contributions] and to have the amounts deducted from his compensation." 4 G.C.A. § 8165. For DC members, "any unpaid employer contribution shall be a government debt, contracted as a result of a casual deficit in the government's revenues, to be accorded preferred status over other expenditures." 4 G.C.A. § 8209. A DC member also has a vested interest in employee and employer contributions. 4 G.C.A. § 8210(a).

The statutory language obligating the Government and creating vested rights of the Fund's members signifies that each and every member of the Fund holds a contract with the Government. As the United States Constitution and the Organic Act both hold, no law may be made which impairs that contract.

Moreover, because of the various provisions calling for the disposition of purportedly excess funds for future usage by the Fund, the manner in which the Fund is directed to dispose of the excess funds forms part of that contractual relationship. Section 8164 of Title 4 speaks to the handling of excess funds, or "overpayments." The Retirement Fund is required to set up a number of accounts such as a member contribution reserve account, an employer's contribution reserve account, and a retirement reserve account for DB retirees. 4 G.C.A. § 8164. In the retirement reserve account, "any excess balance . . . as determined by actuarial valuation as of the close of any fiscal year, shall be applied to reduce the employer's contributions for membership service for the fiscal [year] next following the date of such valuation." 4 G.C.A. §

8164(c). Guam law also establishes an "Interest and Investment Income Reserve:" "All income from investments, including gains on investment transactions, shall be credited to this reserve. All losses on investments shall be charged to this reserve. All amounts required for interest on the other reserve accounts of the Fund shall be transferred from this reserve." 4 G.C.A. § 8164(e).

If any of the Public Law 28-38 funds have already been placed into the retirement reserve, it can be used to credit future fiscal year contributions owing, but cannot be used to offset prior or existing deficiencies. 4 G.C.A. § 8164(c). We also note that if any of the identified funds have been placed into investments, upon which investment income has been earned, then those amounts can be transferred as "interest" for other retirement accounts. 4 G.C.A. § 8164(e). Those amounts, however, cannot be transferred as deficient contributions.

Bill 184 therefore impermissibly runs contrary to section 8164 and the manner in which excess funds should be handled.

VI. The Fund's Intended Response to Bill 184, if Enacted.

The Board of Trustees of the Government of Guam Retirement Fund take their fiduciary responsibilities very seriously. The Trustees are also bound by Superior Court of Guam precedent to take action in the event the Fund is being harmed. In *Bautista v. Perez*, Superior Court of Guam Civil Case No. CV 1848-01, the Fund was compelled to:

- (1) refuse to pay new benefits if unfunded or underfunded pursuant to actuarial standards;
- (2) challenge legislation amending the DB Plan that would increase benefit levels, expand minimum eligibility requirements, reduce or delay funding of contributions, otherwise impair the ability of the government to provide retirement, disability, and survivor benefits to members and beneficiaries;
- (3) determine, in its reasonable discretion, the priority for payment of benefits among the various classes of beneficiaries under circumstances of unfunded or underfunded employer contributions; and
- (4) decline to process retirement, disability, or survivor benefit applications related to employment at agencies which have not made employer contributions at the statutory contribution rate (this includes unfunded, underfunded, and late contributions).

Bill 184, if enacted, will compel the Retirement Fund to take swift action. As compelled by the Superior Court of Guam, the Fund will first refuse to pay any new benefits. The Fund will be underfunded as a whole if it has allowed the retirement of persons without having received the necessary funds to support those retirements. This jeopardizes the future retirement of not just GMHA employees, but employees in every agency.

The Fund is also tasked to challenge legislation that impairs the ability of the government to provide retirement, disability, and survivor benefits to members and beneficiaries. Bill 184 falls exactly under those criteria. Bill 184 robs the Retirement Fund of funds that have already been utilized and paid out, and then forces the Fund to consider those funds as payments for currently owing and past due obligations. This shifting of \$15 million jeopardizes the Fund's ability to support existing retirees and halts the ability of the Fund to allow new retirees. The Fund will not hesitate to institute a legal challenge to Bill 184 if enacted.

Finally, the Fund will decline to process retirement, disability, or survivor benefit applications related to employment at agencies which have not made employer contributions at the statutory contribution rate. As already stated, if Bill 184 is enacted, the Fund will decline to process retirement applications on a wide-scale basis.

VII. Conclusion

The Retirement Fund finds it ironic that over the past five years in which the OPA claims "overpayments" have been made to the Fund, the OPA has never discussed this issue in any of her audits of the Fund, and has just now declared these payments to be an "unintended windfall." The Retirement Fund also notes that in preparing her report, the OPA did not consult with the Fund.

It is also unfortunate that, five years after the enactment of Public Law No. 28-38, the Legislature would consider revoking its part of the bargain. The Retirement Fund's members have been misled by being promised that it would be provided lost investment opportunities that it missed out on when GMHA started its delinquencies in 1996.

Finally, the Fund is also concerned that among the financial repercussions of Bill 184 will be a halting of processing of all retirement applications and suspension of all retirement annuity payments. The Fund forewarns the Government that if any agency ceases to make its monthly contributions, those agencies will be in default. Finally, the Retirement Fund is considering legal avenues to halt the implementation of Bill 184 if enacted.

The Retirement Fund urges the Legislature to reject section 3 of Bill 184.



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May 19, 2011

Senator Ben Pangelinan

Chairman

I Mina' trentai Unu Na Liheslaturan Guahan

Committee on Appropriations, Taxation, Public Debt, Banking, Insurance,
Retirement, and Land

324 W. Soledad Ave. Suite 100

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Hafa Adai yan Buenas Dias, Mr. Chairman and members of the Legislature,

My name is Benita Manglona. I am the Governor's budget director. Governor Calvo detailed me to the Department of Administration following the resignation of Gener Deliquina. In my role as the head of the government's lead agency on the accounting and spending of the Treasury, I am here with my colleagues from the Governor's fiscal team to lead discussions with you on the supplemental and biennial budget proposals. I am here to testify in favor of both.

Senators, we have been very transparent and upfront about the huge budget deficit we face and the cash crisis that has come about because of it. Since December of last year, during the transition phase, we have voiced increasing concerns about the government's fiscal position. When we came to office, we finally had access to financial information, which we have shared with the Office of Finance and Budget through unfettered access to the AS400. What we found was alarming:

1. \$3 million in cash floats on the day we came to office
2. \$8 million in interfund borrowings of restricted accounts to relieve part of that float
3. \$700,000 in unbudgeted cashouts of annual leave lump sum payments
4. Severely short allotments to UOG, GCC and the courts, among others

We have reported the dire fiscal situation immediately to the public because we felt it was important to keep the public informed of the budgeting and spending of their tax dollars. There was no time to waste. Department of Administration, Bureau of Budget and Management Research, Department of Revenue and Taxation and Guam Economic Development Authority had to juggle and scramble to manage the cash without any cash flow model that could show the fiscal team or senators where the cash was going and where the cash needed to go. It was beyond us how the government could function without such a model.

Without the model, we were managing cash based on bank statements, which, as you know, is not the most responsible or ideal way to account for spending. We were hard at work to produce the first cash model in years. With the data we had gathered and analyzed by the first week in office, one thing became abundantly clear: If we continued spending at the rate the government had been doing in the past, there would not be enough cash for the next pay period. Governor Calvo ordered spending cuts and issued Executive Order No. 2011-01, directing agencies to cut and to raise revenues. Those cuts have been in effect for months. It has taken some time for BBMR to compile the spreadsheet of these cuts because of the multitude of mandates and projects the department has been handling. However, that spreadsheet is now available, and we present it to you today.

Before I speak on our cost containment measures, it's important for us to relay to you why we have had to make certain decisions. Senators, when we came to office, the cash that was coming in had to be used to pay for the interfund borrowings and the cash float. Then we had to pay for non-discretionary spending, such as debt service. In those first few pay periods, we were just dollars away from not having enough to pay government employees. Money was short and tight. We even discovered that the payments of tax refunds were suspended in December, 2010, because of the cash shortage. We made the decision to prioritize those payments as much as we could. Governor Calvo immediately ordered the payment of tax refunds to resume.

While the reports were showing revenues were coming in as budgeted for the fiscal year, what the Legislature was not apprised of was the enormous amount of cash for Fiscal Year 2011 that was used in the first quarter to pay for prior year obligations:

1. \$42 Million in Fiscal Year 2011 revenues were used to pay for the major shortfalls from Fiscal year 2010
2. \$55 million in Make Work Pay Tax Credits were used to pay for operations and prior year refunds
3. All of Section 30 monies meant for this fiscal year were fully expended by November 2010.

Senators, this spending spree in the first quarter was done using an outlay of cash and revenues meant for the entire fiscal year. We came to office to an administration just playing catch up. There was no way the cash coming in would have been enough to pay the Hay Plan and tax refunds as budgeted. This does not include the budget shortfall for the health insurance contract and the unanticipated payments for the Permanent Injunction. The cash would not have been enough by mid-February if we continued the Hay Plan. And, if we had paid tax refunds as budgeted, we would not have made it past the first week in office. The cash crisis is real, and we have provided the reports to you so you can see the numbers for yourselves.

On top of the major spending cuts and savings resulting from the Hay Plan suspension, the implementation of an extra three-percent allotment reserve and other spending halts, we began containing costs. I really have to commend the agencies for their efforts. The budget cuts range from \$138,000 in rental cost savings at the Department of Land Management to tens of thousands in fuel savings at the Department of Public Works by their setting up of a southern bus depot. Considering the shortfalls these agencies already face, they truly answered the Governor's call to streamline and sacrifice even more. Everything from power and water usage to mobile phones to salaries and personnel costs were cut.

We also are pursuing aggressive revenue enhancements to help balance things. Some of the bigger-ticket items include the tax mapping program and the Computer-Assisted Mass Appraisal System that will appraise real property and, therefore, raise more real property revenue without raising taxes. An RFP soon will go out for accounting and legal firms to conduct forensic collections of taxes from non-filers and non-payers. There are several more initiatives and proposals for revenue enhancements from the agencies. That also is included in the report we provided to you, along with the details of the cost cuts.

Senators, we are doing our due diligence. You and the people expect no less. But senators, it is still not enough. We cannot go any further without affecting personnel. This is no longer the 'sacred cow,' though. As a longer-term strategy to build efficiencies, I have recommended to the Governor that he order monthly or quarterly performance evaluations of every government employee. We believe this will build morale and increase productivity, as employees who work hard will be praised and rewarded. This will also improve services by taking corrective action on employees who fall below performance standards.

What remains, senators, is the huge \$349 million deficit. I want to take this opportunity to explain to the public exactly what this deficit means. Sometimes, we get so caught up in the numbers, that we fail to see the human elements behind the spreadsheets. Nearly \$300 million of that deficit is money that should have been paid to taxpayers over the past three years. Senators, you can put many faces behind those millions of dollars. You take their calls in your office and see them in the community. These are struggling families who are begging for their own money just to make ends meet... to pay for medical treatment... or to afford the rent or the last notice on their mortgage or car payment. They cannot get this money because, as hard as we all may try, there is one simple truth pervading fiscal policy right now and for the past 20 years: there are not enough revenues coming in to the government to pay all the obligations. The provision for tax refunds has historically financed the cash shortfalls every two weeks.

There are thousands of mandates, hundreds of services and only so much cash coming in. If we were to look at the Fiscal Year 2011 budget in a vacuum, we would appear to be okay. We would be able to manage the cash and get out the refunds on time. But this is not the case. Behind all of this effort to manage cash is the huge \$349 million deficit. There simply is not enough cash to go around. There will not be enough money by the end of the fiscal year to pay this down; nor next fiscal year; nor the next. Without a cash infusion, we will continue shorting services and watching struggling people leave government agencies without the services their tax dollars are supposed to pay for.

Senators, this is the face of the deficit:

1. The public school teachers who have to buy supplies and equipment from their pockets because there is no money outside of payroll for DOE.
2. The schoolchildren, who have to share books and crayons, or play on rusty playground equipment, because there just is not enough cash to give them an adequate early childhood experience.
3. The patients at Guam Memorial Hospital who do without certain services and equipment because Revenue and Taxation has no cash to remit the tax garnishments meant to retire GMH receivables.
4. The Mayors Offices and their contractors who maintain school grounds and keep villages clean without getting their allotments for months at a time.
5. The heart-attack patients who have to wait longer for an ambulance because there is not enough money to buy new ambulances or to repair the ones we have.
6. The children needing special corrective attention at DYA who are neglected because there are not enough youth service workers

7. The children who do not get the care they need to help them with their emotional disorders because there is not enough financial support for the systems of care
8. The adults with mental health issues who cannot get treatment or medication because Mental Health does not have enough resources

Senators, I can go on and on, but we all know that this unmanageable deficit is what is causing all of these gaps in services. What is worse, is that it is so unmanageable that it is even affecting those of us on the fringes: the children and families living in poverty and uncertainty, who need help the most. In our view, senators, it is incumbent upon us to restore our ability to manage the cash and provide these services more manageably by refinancing our deficit. We need to get this money into the hands of the people and allow us the managerial breathing room to provide services as our people expect.

Now, before we can begin rightsizing GovGuam's finances through the combination of the bond financing, the proposed balanced 2012 and 2013 budgets and the phasing in of performance-based budgeting in 2014, we have to get through this fiscal year. Unfortunately, there are major shortfalls in funding for the agencies and the health insurance benefits for thousands of government employees, their families and retirees.

Because of our strict fiscal policies, we have been able to manage spending prudently so we have enough cash to get us through the fiscal year. The cash flow model supports this. All we need is your approval authorizing the spending for the operational shortfalls of these agencies. But this is only for the bare minimum operations of the agencies. We are prepared to provide you the details of the shortfalls. The largest, by far, is for the Guam Fire Department.

I also want you to know that we have identified real and viable revenue sources. The largest of these sources, the overpayment to the Retirement Fund with the benefit of time value, does not even require an outlay of cash. We will simply apply our credit with them to offsets. The other sources are from savings and cost cuts.

At the end of this public discussion, the facts will remain that the greater part of the \$349 million deficit is the tax refunds this government owes to her people. Behind all these numbers today is an average of 44,000 struggling families who have to wait two to three years to ever see their refunds. Some of them literally have to beg for their own money, or borrow from the bank or from others so they can sustain themselves. This is not right. This is unacceptable. They should not have to beg for something that belongs to them in the first place. The problem is that if the government did not use the money meant for refunds for its bare minimum operations, critical agencies would run out of money, and services would shut down. This is the cash reality every two weeks. There is only enough money for non-discretionary spending and for prioritized discretionary spending, such as the operations of public schools, the hospital, among others.

Senators, if the goal is to pay all these tax refunds by December, then there are only two options: Cut half-a-year's worth of expenditures and use those revenues to pay the refunds, or float a bond and use the cash infusion to pay the people. If the goal is to continue down the road we are on now and to apply savings from conservative budget plans to the payment of refunds, then I caution you that it will take years before those refunds are paid to the people.

Letter to Senator Ben Pangelinan

May 19, 2011

Page 5

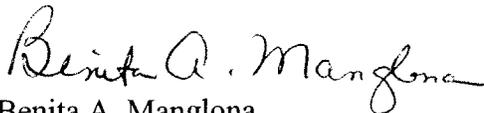
We believe the people are tired of waiting. This is their money. Let us give it back to them by Christmas. We would rather borrow from a bank, than continue borrowing from the people.

We ask that you approve the supplemental budget request to get us through this fiscal year, and that you approve the biennial budget and bond borrowing request so we can pay all tax refunds, pay down the deficit and begin fixing the structural imbalance of the General Fund.

Before I finish my testimony, I want to thank the people behind the scenes who work without ever complaining about the long hours or the stress. I have had the great pleasure these past few months of working with the men and women of BBMR, DOA, Revenue and Taxation, and GEDA. Senators, I am sure you know just how hard these ladies and gentlemen work for the people of Guam. As a Cabinet member, it goes without saying that work happens well beyond Monday to Friday between 8 a.m. and 5 p.m. There have been many nights where I have found myself in my office past midnight finishing projects and reports. The BBMR and DOA employees, however, are not obligated to stay with me and work those hours. They are exempt employees and do not receive overtime for working beyond 5 p.m. But, they do anyway. They come in on weekends. They leave late at night. And they work very hard to meet the mandates of our agencies. This is the essence of leadership. I would not be able to come before you today if it were not for their diligence and commitment to improving this government.

Thank you for your time today. I look forward to your questions. Si Yu'us Ma'ase.

Senseramente,



Benita A. Manglona
Director, BBMR

COST CONTAINMENT MEASURES (E.O. 2011-1) POTENTIAL SAVINGS

Department	Reg Income	FF/FFAs	Bonuses	Taxes	Contractual	Rentals	Leases	Fees	Wk/Cont	Printing	Subs/Travel	Misc	Fuel	Other	Telephone	Capital	Total Funds	Expenditures by Funds	
	111	112	113	220	250	233	240	250	270	271	280	290	361	362	363	450		General Fund	Special Fund
1 Administration																	0.00	1/	0.00
2 Agriculture																	0.00	2/	0.00
3 Ancestral Land Commission	5,347.00					13,056.00											18,403.00		18,403.00
4 BBNR				8,852.50													8,852.50		8,852.50
5 Bu of Stats & Plans															2,048.00		2,048.00		2,048.00
6 Chamorro Affairs													34,825.00				34,825.00		34,825.00
7 Chamorro Land Trust	16,093.00		4,652.12	3,600.00	46,000.00												70,345.12		70,345.12
8 Chief Medical Examiner	480.00		140.00		3,000.00		3,219.00	4,285.00				35.00					11,159.00		11,159.00
9 Civil Service Commission	54,205.48		27,527.35														81,732.83		81,732.83
10 Comm. On Decolonization																	0.00		0.00
11 Contractors License Board	21,389.00			8,000.00													29,389.00		29,389.00
12 Corrections					293,000.00												293,000.00		293,000.00
13 Customs & Quarantine	60,850.00		19,927.00									2,450.00					83,227.00		83,227.00
14 DISID					8,000.00	43,867.00	4,000.00								4,003.00		59,870.00		59,870.00
15 Education																	0.00		0.00
16 GCAHA																	0.00		0.00
17 GCC																	0.00		0.00
18 GHURA	71,113.00		28,445.20	8,000.00	4,479.00		2,784.64	3,500.00					1,000.00				119,321.84		119,321.84
19 GDDC																	0.00		0.00
20 GEPA																	0.00		0.00
21 GMHA	116,948.00															165,000.00	281,948.00		281,948.00
22 Guam Board of Accountancy																	0.00		0.00
23 Guam Certification Office																	0.00		0.00
24 Guam Election Commission																	0.00		0.00
25 Guam Fire	77,077.00	12,995.00	26,792.00				15,000.00						10,000.00		3,600.00		145,464.00		145,464.00
26 Guam Police					10,000.00												10,000.00	5/	10,000.00
27 Guam Regional Transit Auth					1,996,140.00												1,996,140.00		1,996,140.00
28 GSClearinghouse-See Gov's Ofc																	0.00		0.00
29 Guam Visitors Bureau																	0.00		0.00
30 Labor/AHRD	43,356.00		6,374.00														49,730.00		49,730.00
31 Land Management					16,495.00	137,808.00											154,303.00		154,303.00
32 Library																	0.00		0.00
33 Mayors Council																	0.00		0.00
34 MHA	116,948.00															165,000.00	281,948.00		281,948.00
35 Military Affairs	67,159.00												144,819.00	2,000.00	1,000.00		214,978.00		214,978.00
36 Office of the Educ Suruhanu					3,000.00	14,000.00	4,500.00								2,000.00		23,500.00		23,500.00
37 Office of Attorney General																	0.00		0.00
38 Office of Public Accountability	51,986.00		19,184.00		10,830.00	3,000.00											85,000.00		85,000.00
39 Office of the Governor												90,000.00					90,000.00	9/	90,000.00
40 Parks & Recreation	39,855.00		19,074.00		10,096.00							23,776.00	37,056.00	5,292.00			135,149.00		135,149.00
41 PBS Guam (KGTF)																	0.00		0.00
42 Port Authority of Guam																	0.00	10/	0.00
43 PEALS Board																	0.00	11/	0.00
44 PHSS																	0.00	12/	0.00
45 Public Works																	0.00	13/	0.00
46 Retirement Fund																	0.00		0.00
47 Revenue and Taxation	59,762.00		20,156.00		50,000.00		5,000.00										134,918.00		134,918.00
48 UOG																	0.00		0.00
49 Veterans Affairs																	0.00		0.00
50 Youth Affairs							4,800.00						960.00	480.00			5,240.00		5,240.00
TOTAL	802,568.48	12,995.00	172,271.67	28,452.50	2,451,040.00	208,731.00	42,303.64	7,785.00	0.00	0.00	0.00	2,485.00	305,380.00	39,536.00	17,943.00	330,000.00	4,421,491.29	3,872,624.29	548,867.00

FOOTNOTES: (Please see at back)

NO. FOOTNOTES:

- 1 Dept. of Administration submitted recommendations on cost containment, however, is not quantified at this time.
- 2 Agriculture submitted however noted that any projected lapses will be offset to meet other requirements for the agency.
- 3 Contractor's License Board Fund
- 4 Customs and Quarantine Fund
- 5 GPD: Other Short and Long-Term Cost Reductions are recommended however, not quantified at this time.
- 6 Land Survey Revolving Fund
- 7 Library submitted with recommendations on Energy Conservation, Recycling measures and as well reduction in gasoline usage on Office van, however, cost savings not quantified at this time.
- 8 MHPA:Healthy Futures Fund
- 9 Governors Office Breakdown: Guam Homeland Security \$90,000 (361);
- 10 Port Authority of Guam submitted recommendations on Cost Containment and Revenue Enhancement Measures (see attached)
- 11 Peals Board Submitted Revenue Enhancement Recommendations
- 12 DPHSS provided recommendations on ways the Dept. can save on Personnel Services, Operational categories and on utilities. However, noted these amount are Undetermined at this time. On its Short-Term Reduction, it mentioned that the Bureau of Primary Care Services/CHC by contracting with Amerisource Bergen for pharmaceutical supplies could realize a cost savings of 25% or an annual savings of \$125,000 annually. On its Long-Term Reduction, the implementation of electronic Health Recording could result in a savings of approx. \$50,000.
- 13 DPW provided cost reduction/cost Containment measures-not quantified at this time



Dipáttamenton Kontribusion yan Adu'ána

DEPARTMENT OF

REVENUE AND TAXATION

GOVERNMENT OF GUAM

Gubetnamenton Guáhan

EDDIE BAZA CALVO, Governor Maga'láhi
RAY TENORIO, Lt. Governor Tifente Gubetnadot

JOHN P. CAMACHO, Acting Director
Actot Direktot
MARIE M. BENITO, Deputy Director
Segundo Direktot

May 17, 2011

The Honorable Senator Vicente (Ben) Pangelinan
Chairman

Committee on Appropriations, Taxation, Public Debt, Banking, Insurance, Retirement, and Land

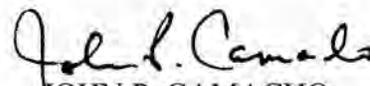
RE: Bill No. 184-31
Supplemental Appropriations Act of 2011

Buenas Yan Saludas:

The Department of Revenue & Taxation (DRT) hereby submits testimony in support of Bill No. 184-31 regarding the Supplemental Appropriations Act of 2011. As noted, the supplemental budget requested for the remaining Fiscal Year 2011 identifies budgetary deficiencies amounting to approximately \$36.6 million to include medical, dental and life insurance obligations of current employees and retirees and payments to other agencies or departments for critical services. These amounts presented are backed by conservative numbers identifying revenue sources from areas that will fund these additional expenditures. Revenue sources under the purview of DRT have been or will be secured during the remainder of this fiscal year.

DRT hereby urges *I Mina'trentai Unu Na Liheslaturan Guahan* to pass this bill as it would prevent negative effects to the delivery of Government of Guam services and insure that our island community continues to receive the quality service they deserve.

Sensermante,


JOHN P. CAMACHO
Director

**Testimony on Bill 184-31 (LS)
of Mr. Karl Pangelinan, Acting Administrator
Guam Economic Development Authority (GEDA)
May 18, 2011**

Good Morning and *Hafa Adai*, Senator Vicente "Ben" Pangelinan and members of the Committee on Appropriations, Taxation, Public Debt, Banking, Insurance, Retirement, and Land. Thank you for the opportunity to provide testimony in support of **Bill 184-31 (LS), "AN ACT TO PROVIDE SUPPLEMENTAL APPROPRIATIONS FOR THE OPERATIONS OF THE EXECUTIVE BRANCH OF THE GOVERNMENT OF GUAM FOR FISCAL YEAR ENDING SEPTEMBER 30, 2011; AND FOR OTHER PURPOSES."**

As GEDA serves as the Central Financial Manager of the Government of Guam, we believe the steps proposed in Bill 184-31 are a positive move towards fiscal recovery. Our comments will focus on those sections of the bill that relate to funds from bond proceeds.

In Section 21 of the bill, a reference has been made to an amount of Four Million Three Hundred Thousand Dollars (\$4,300,000) to be reimbursed to the government of Guam for the capital costs incurred for the construction of the Layon landfill. At the request of the Chairman of this Committee, Senator Pangelinan, GEDA and the Department of Administration worked closely to identify all costs and invoices advanced by the General Fund, and not paid by grant funds, prior to the appointment of the Receiver. After reviewing all invoices and costs, items were presented to bond counsel who confirmed that the costs expended by the Government in the amount stated in Bill 184, are eligible costs for reimbursement by bond proceeds of the Government of Guam Limited Obligation (Section 30) Series 2009A bonds, subject to the approval of the U.S. District Court of Guam. We have attached the supporting documents of this reimbursement as part of our testimony.

With regards to Section 22 of the bill, a reference is made to the reimbursement of One Million Dollars (\$1,000,000) from the Bond Reserve Fund for the Limited Obligation Infrastructure Improvement Bonds, 1997 Series A. In our review of the monthly bank statements, the reserve requirement reflects a payment of debt service on the bonds. As the bond payment schedule was set-up so that debt service payments declined annually, we hereby confirm that the reserves were eventually over-funded by the stated amount this fiscal year. We would like to suggest, however, that the language regarding the transfer be restated to reflect the flow of funds in the bond indenture in which the excess amount is first transferred to the Tourism Attraction Fund (TAF) Revenue Account and then to the General Fund for Legislative appropriation.

In closing, I would like to thank you again for the opportunity to present testimony in support of Bill 184-31(LS).

Respectfully,



Karl A. Pangelinan
Acting Administrator



DEPARTMENT OF EDUCATION OFFICE OF THE SUPERINTENDENT

www.gdoe.net

P.O. Box D.E., Hagatña, Guam 96932

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Email: nbunderwood@gdoe.net



Nerissa Bretania Underwood, Ph.D.
Superintendent of Education

May 19, 2011

Honorable Vicente (ben) Cabrera Pangelinan
Senator and Chairman of the Committee on Appropriations, Taxation, Public Debt, Banking, Insurance,
Retirement, and Land
I Mina'trentai Unu Na Liheslaturan Guåhan
324 West Soledad Avenue, Suite 100
Hagãña, Guam 96910

RE: Bill No. 184-31 (COR), An Act to provide supplemental appropriations for the operations of the Executive Branch of the Government of Guam for Fiscal Year ending September 30, 2011; and for other purposes

Hafa Adai Senator Pangelinan!

Thank you for this opportunity to testify on Bill No. 184-31 (COR), An Act to provide supplemental appropriations for the operations of the Executive Branch of the Government of Guam for Fiscal Year ending September 30, 2011; and for other purposes. Section 16 of this Bill appropriates \$1,300,000 to the Department of Education *"to supplement its operations for Fiscal Year 2011."*

As you may be aware, the cost of the health insurance increase was not factored into the FY2011 budget. The financial analysis performed by the Education Financial Supervisory Commission clearly indicates that the Department of Education (DOE) does not have sufficient appropriations to cover this increase in benefits. We stand in support of this provision of the Bill.

As DOE prepares for the new school year, I would like to make resources necessary for a smooth opening available to our schools. The timely passage of this measure will help us to move in this direction.

Senseramente,

NERISSA BRETANIA UNDERWOOD, Ph.D.

Superintendent of Education

cc: Guam Education Board
Education Financial Supervisory Commission

**FY 2011
VARIANCE & PROJECTION ANALYSIS
CONSOLIDATED LOCAL FUNDS**

Department: GUAM DEPARTMENT OF EDUCATION
Division:
Account No.:

Budget Act(s) (P.L. 30-55) P.L. 30-186
YTD Exp Date 3/31/2011
LABOR COST OCT-FEB
LABOR COST MAR

A Account Code	Budget (Ampl.) Appropriations P.L. 30-186	Reserve	P.L. 30-186 Allocation (B-C)	Year to Date Exp. Enacted, As Of 3/31/2011	AVG PP PER MONTH				AVG PPE LABOR COST		PROJECTED PAYROLL REMAINING	MANUAL ADJUSTMENT	H Monthly Expenditure	Projected Local Funds	J CODE
					26 PP EES OCT-FEB	26 PP EES MAR	21 PP EES OCT-FEB	21 PP EES MAR	26 PP EES	21 PP EES					
111 Salary	108,620,184	2,216,659	106,403,535	53,742,747	3,870,731	3,717,394	332,459	341,691	3,794,063	337,075	52,019,418	2,517,758	(1,876,418)	A-Stable	
112 OT	5,000	-	5,000	371	316	-	-	-	158	-	2,055	(715)	3,288	A-Stable	
113 Benefits	37,442,226	640,836	36,801,390	18,915,362	1,343,763	1,301,227	108,296	112,810	1,322,495	110,553	18,075,860	1,037,868	(1,228,700)	C-Watch	
TOTAL PerSvs	146,067,420	2,857,495	143,209,925	72,658,480	5,214,810	5,018,622	440,755	454,501	5,118,716	447,628	70,098,333	3,554,942	(3,101,830)	C-Watch	
220 Travel	-	-	-	-	-	-	-	-	-	-	-	-	-	A-Stable	
230 Contract	10,198,703	687,364	9,511,339	2,425,341	-	-	-	-	-	-	-	-	404,324	4,659,456	A-Stable
233 Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	A-Stable	
240 Supplies	2,309,922	987,087	1,322,836	294,631	-	-	-	-	-	-	-	-	49,105	733,574	A-Stable
250 Equip.	3,125,437	40,000	3,085,437	185,857	-	-	-	-	-	-	-	-	30,976	2,713,723	A-Stable
270 Wks Comp	150,000	-	150,000	-	-	-	-	-	-	-	-	-	-	150,000	A-Stable
271 Drug Testing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	A-Stable
290 Misc.	2,440,118	1,879,644	760,474	99,601	-	-	-	-	-	-	-	-	-	561,272	A-Stable
361 Power	10,012,545	-	10,012,545	4,833,478	-	-	-	-	-	-	-	440,477	805,580	(94,888)	A-Stable
362 Water	2,009,669	-	2,009,669	841,427	-	-	-	-	-	-	-	-	140,238	328,816	A-Stable
363 Tele.	453,531	-	453,531	175,788	-	-	-	-	-	-	-	-	29,298	101,955	A-Stable
450 Cap. Out.	295,000	-	295,000	296,105	-	-	-	-	-	-	-	-	49,351	(297,210)	C-Watch
TOTAL Opers	30,994,926	3,394,095	27,600,831	9,152,829	-	-	-	-	-	-	-	440,477	1,525,471	6,854,697	A-Stable
TOTALS	177,062,346	6,251,590	170,810,756	81,811,309	5,214,810	5,018,622	440,755	454,501	5,118,716	447,628	70,098,333	440,477	1,525,471	5,752,867	A-Stable

Account Code	MONTHLY VARIANCE			YTD VARIANCE		
	12 MONTH OPERATIONS MARCH	MARCH ACTUALS	CODE	12 MONTH OPERATIONS YTD	YTD ACTUALS	CODE
111 Salary	8,074,989	10,274,736	B-Warning	50,156,777	53,742,747	A-Stable
112 OT	556	-	A-Stable	1,867	371	A-Stable
113 Benefits	2,798,067	3,711,800	B-Warning	18,955,671	18,915,362	B-Warning
TOTAL PerSvs	10,873,611	13,986,335	B-Warning	67,114,115	72,658,480	A-Stable
220 Travel	-	-	A-Stable	-	-	A-Stable
230 Contract	774,766	458,209	A-Stable	4,873,975	2,425,941	A-Stable
233 Rent	-	-	A-Stable	-	-	A-Stable
240 Supplies	82,798	118,134	B-Warning	825,875	294,631	A-Stable
250 Equip.	256,009	650	A-Stable	1,549,385	185,857	A-Stable
270 Wks Comp	12,500	-	A-Stable	75,000	-	A-Stable
271 Drug Testing	-	-	A-Stable	-	-	A-Stable
290 Misc.	16,716	1,262	A-Stable	660,178	99,601	A-Stable
361 Power	834,379	1,931,842	B-Warning	5,006,273	4,833,478	A-Stable
362 Water	167,472	356,067	B-Warning	1,004,835	841,427	A-Stable
363 Tele.	37,781	29,163	A-Stable	226,727	175,788	A-Stable
450 Cap. Out.	24,583	36,800	B-Warning	147,500	296,105	B-Warning
TOTAL Opers	2,207,005	2,932,127	B-Warning	14,369,747	9,152,829	A-Stable
TOTALS	13,080,616	16,918,463	B-Warning	81,483,861	81,811,309	A-Stable

RE: Bill 184-31 Supplemental Budget Details



26 May 2011

Honorable Senator Vicente (Ben) C. Pangelinan
I Minátreintai Unu Na Liheslaturan Guáhan
324 W. Soledad Ave. Suite 100
Hagatna, Guam 96910

790 Gov. Carlos G. Camacho Rd.
Tamuning, Guam 96913
Phone: 671-647-5330
Fax: 671-647-5402

EDDIE BAZA CALVO
Governor

RAY TENORIO
Lieutenant Governor

WILFRED G. AFLAGUE
Director

**RE: Letter of May 23, 2011
Supplemental Budget Details, FY2011 (Bill 184-31)**

Hafa adai, Senator Ben,

This is to respond to your letter of May 23, 2011 requesting for additional information to support the requested increase in funding for the Department of Mental Health and Substance Abuse contractual services in the amount of \$1,585,618. The attached list of services provided for the group homes support this amount.

For further information, please contact me at 647-5335 or Ms. Priscilla Richards at 647-5326.

Senseramente,

WILFRED G. AFLAGUE

Cc: Governor Eddie B. Calvo
Director of BBMR



Department of Mental Health and Substance
SERVICE CONTRACTS
May 25, 2011

CONTRACT OR REFERENCE	FUND SOURCE	VENDOR NAME	CONTRACT PERIOD	ACCOUNT NO.	Fiscal Year CONTRACT AMOUNT	PAYMENTS TO DATE	(posted AS400) OUTSTANDING PAYMENT DUE	PROJECTED SERVICES FOR MAY - SEPT 2011	COMMENTS
C080600403	LOCAL	LATTE TREATMENT CENTER, LLC (Guma Bethesda)	12/12/07 - 9/30/10 expired; service ongoing; award in process	5100A112300GA001-230	In negotiation	\$ 359,113.50	\$ 59,852.25	\$ 299,261.25	ADULTS WITH DISABILITIES GROUP HOME; RFP No. DMHSA-27-10; Ready to be awarded.
C080601412	LOCAL	CATHOLIC SOCIAL SERVICES (Level of Care)	07/01/08 - 09/30/11	5100A112300GA001-230	In negotiation	\$ 761,087.50	\$ -	\$ 945,639.80	ADULTS WITH SEVERE DISABILITIES GROUP HOME; RFP No. DMHSA-26-10; Budget Negotiations ongoing.
	LOCAL	LEVEL OF CARE - 24/HR FOR FIVE (5) CONSUMERS	UPON GOVERNOR'S SIGNATURE	5100A112300GA001-230	In negotiation	\$ -	\$ -	\$ -	ADULTS WITH SEVERE DISABILITIES GROUP HOME; RFP No. DMHSA-28-10; Budget Negotiations ongoing.
C050604733	LOCAL	LATTE TREATMENT CENTER, LLC (Therapeutic Group Home for Minors)	10/1/2010-9/30/2011	5100A112300GA001-230	In negotiation	\$ 408,493.46	\$ 68,143.39	\$ 340,716.95	MINORS THERAPEUTIC GROUP HOME - RFP NO. DMHSA 029-10 ongoing review and negotiations.
								\$ 1,585,618.00	

(N)

Consent Decree Cost details - FY 2006 - 2010

FY	ACCOUNT	MON	DY	YR	TRANCODE	TRAN_NO	AMOUNT	PRIORREF	VENDORNO	INVOICE	IF REMARK1	REMARK2
2010	5100A061000GA005230	12	10	2009	170	0397501	38,431.64	C050603183	T0092931	09-019-01	ENGINEERING SVCS FOR NEW MSWLF PHASE 2	DESOGN AMENDMENT #8 EXHIBIT A
2009	5100A061000GA005230	11	7	2008	170	0319879	130,583.77	C050603183	T0092931	0605608	ENVIRONMENTAL & ENGINEERING SERVICES FOR	THE NEW MSWLF PHASE 2 DESIGN
2009	5100A061000GA005230	11	7	2008	170	0319879	8,837.00	C050603185	T0092931	071508	ENVIRONMENTAL & ENGINEERING SERVICES FOR	THE NEW MSWLF PHASE 2 DESIGN
2009	5100A061000GA005230	4	1	2009	170	0351127	432,729.10	C050603183	T0092931	06-056-09	ENGINEERING SVCS-NEW MSWLF PH2 DESGN,AME	ND#3/PER.END:1/31/09LESS RET.\$43,272.91)
2009	5100A061000GA005230	7	15	2009	170	0390902	75,579.25	C050603183	T0092931	09-019-02	ENGINEERING SVCS-NEW MSWLF PH2 DESGN,AME	ND#8/PER.END:3/31/09 LESS:RET.\$7,557.93)
2009	5100A061000GA005230	7	15	2009	170	0390902	17,503.47	C050603183	T0092931	09-020-02	ENGINEERING SVCS-NEW MSWLF PH2 DESGN,AME	ND#8/PER.END:5/31/09 LESS:RET.\$1,750.35)
2009	5100A071000GA005230	11	7	2008	170	0319879	43,370.13	C050603186	T0092931	0705204	ENVIRONMENTAL & ENGINEERING SERVICES FOR	THE NEW MSWLF PHASE 2 DESIGN
2009	5100A071000GA005230	11	21	2008	170	0335325	2,201.10	C070601130	S0098754	6102008	TECH SPECIALIST CONSULTANT FOR CONSENT	DECREE PROJCTS DW-SW-2006(003)
2009	5100A071000GA005230	11	21	2008	170	0335325	599.10	C070601130	S0098754	07182008	TECH SPECIALIST CONSULTANT FOR CONSENT	DECREE PROJCTS DW-SW-2006(003)
2009	5100A071000GA005230	4	1	2009	170	0351127	74,963.06	C050603186	T0092931	07-052-05	ENGINEERING SVCS-NEW MSWLF PH2 DESGN,AME	ND#6/PER.END:1/31/09 LESS RET.\$7,496.31)
2008	5100A061000GA005230	1	1	2008	170	0261663	41,174.00	C050603183	T0092931	24	PMT#24: ENVIR/ENGINR SVC-DESIGN OF NEW	MUNICIPAL SOLID WASTE LANDFILL FACILITY
2008	5100A061000GA005230	1	1	2008	170	0261663	45,845.68	C050603183	T0092931	25	PMT#25: ENVIR/ENGINR SVC-DESIGN OF NEW	MUNICIPAL SOLID WASTE LANDFILL FACILITY
2008	5100A071000GA005230	11	7	2007	170	0243978	31,788.79	C070601130	S0098754	07	PYT 07: TECHNICAL SPECIALIST CONSULTANT	FOR CONSENT DECREE PROJECTS
2008	5100A071000GA005230	11	7	2007	170	0243978	7,308.00	C070601130	S0098754	08	PYT 08: TECHNICAL SPECIALIST CONSULTANT	FOR CONSENT DECREE PROJECTS
2008	5100A071000GA005230	12	3	2007	170	0243978	17,673.25	C070601130	S0098754	09	PMT#09: TECHNICAL SPECIALIST CONSULTANT	FOR CONSENT DECREE PROJECTS
2008	5100A071000GA005230	1	1	2008	170	0261663	106,223.92	C050603186	T0092931	22	PMT#22: ENVIR/ENGINR SVC-DESIGN OF NEW	MUNICIPAL SOLID WASTE LANDFILL FACILITY
2008	5100A071000GA005230	1	1	2008	170	0261663	35,157.10	C050603186	T0092931	23	PMT#23: ENVIR/ENGINR SVC-DESIGN OF NEW	MUNICIPAL SOLID WASTE LANDFILL FACILITY
2008	5100A071000GA005230	4	15	2008	170	0282389	16,061.25	C070601130	S0098754	10	PMT#10: TECHNICAL SPECIALIST CONSULTANT	FOR CONSENT DECREE PROJECTS
2008	5100A071000GA005230	4	15	2008	170	0282389	1,629.00	C070601130	S0098754	11	PMT#11: TECHNICAL SPECIALIST CONSULTANT	FOR CONSENT DECREE PROJECTS
2008	5100A071000GA005230	4	15	2008	170	0282389	1,650.00	C070601130	S0098754	12	PMT#12: TECHNICAL SPECIALIST CONSULTANT	FOR CONSENT DECREE PROJECTS
2008	5100A071000GA005230	6	17	2008	170	0319480	7,583.66	C070601130	S0098754	13	PMT#13: TECHNICAL SPECIALIST CONSULTANT	FOR CONSENT DEC PROJTS#DPW SW 2006 003
2008	5100A081000GA005230	2	21	2008	170	0265887	307,255.00	C040603292	D6544001	07	PROF SVC: DESIGN/PS&E ORDOT DUMP CLOSURE	D&A PROJ#GG04-19
2008	5100A081000GA005230	8	8	2008	170	0308313	151,103.00	C040603292	D6544001	08	PMT# 08: DESIGN/PS&E ORDOT DUMP CLOSURE	D&A PROJ#GG04-19 (REV INV 8D-17
2008	5100A081000GA005230	8	8	2008	170	0308313	8,501.00	C040603292	D6544001	08	RET PAYABLE LAST INV#07,PROF SVC: DESIGN	PS&E ORDOT DUMP PRJ# D&A PROJ#GG04-19
2007	5100A061000GA005230	9	19	2006	170	0154100	25,930.00	C050603183	T0092931	08	PYT 08: ENV & ENG SERV FOR DSGN OF NEW	MUNICIPAL SLD WASTE LANDFILL FACILITY
2007	5100A061000GA005230	11	16	2006	170	0183446	22,208.00	C050603183	T0092931	09	ENV&ENG SERV- DESIGN OF MUNICIPAL SOLID	WSTE LNDFILL FAC PROJ DPW-SW-2004(003)
2007	5100A061000GA005230	11	28	2006	170	0183444	22,258.48	C060601580	B0097995	M194744	PH1-INITIATION AND MANAGEMENT OF PROJECT	RE: 42941-SOLID WASTE PROCUREMENT ASSIST
2007	5100A061000GA005230	11	28	2006	170	0183444	11,894.36	C060601580	B0097995	M194744	PH1-INITIATION AND MANAGEMENT OF PROJECT	RE: 42941 SOLID WASTE PROCUREMENT ASSIST
2007	5100A061000GA005230	12	7	2006	170	0183705	5,761.10	C060601480	T0092931	02	PYT 02: WETLAND MITIGATION PLAN - ORDOT	DUMP CLOSURE
2007	5100A061000GA005230	12	7	2006	170	0183705	9,809.00	C050603184	T0092931	10	PYT 10: ENV & ENG SERV - DESIGN OF NEW	MUNICIPAL SOLID WASTE LANDFILL FACILITY
2007	5100A061000GA005230	12	7	2006	170	0183705	183,707.00	C050603183	T0092931	11	PYT 11: ENV & ENG SERV - DESIGN OF NEW	MUNICIPAL SOLID WASTE LANDFILL FACILITY
2007	5100A061000GA005230	12	29	2006	170	0183702	79.04	C060601580	B0097995	M205168	TASK1/2-INITIATION & MANAGEMENT OF PROJ	RE: 42941-SW PROC ASSIST, OCT06-NOV06
2007	5100A061000GA005230	12	29	2006	170	0183702	13,865.18	C060601580	B0097995	M205168	TASK3-INITIATION & MANAGEMENT OF PROJECT	RE: 42941-SW PROC ASSIST, OCT06-NOV06
2007	5100A061000GA005230	1	15	2007	170	0183702	1,300.92	C060601580	B0097995	M-199556	TASK1/2-INITIATION & MANAGEMENT OF PROJ	RE: 42941-SW PROC ASSIST, SEP06-OCT06
2007	5100A061000GA005230	1	29	2007	170	0184243	135.20	C060601580	B0097995	M-207712	TASK1/2-INITIATION & MANAGEMENT OF PROJ	RE: 42941-SW PROC ASSIST, NOV06-DEC06
2007	5100A061000GA005230	1	31	2007	170	0190178	5,729.36	C060601580	B0097995	M-212659	TASK1/2-INITIATION & MANAGEMENT OF PROJ	RE: 42941-SW PROC ASSIST, DEC06-FEB07
2007	5100A061000GA005230	1	31	2007	170	0190179	168,866.85	C050603183	T0092931	12	PMT#12: ENV & ENG SERV - DESIGN OF NEW	MUNICIPAL SOLID WASTE LANDFILL FACILITY
2007	5100A061000GA005230	3	27	2007	170	0200290	24,752.15	C050603183	T0092931	13	PMT#13: ENV & ENG SERV - DESIGN OF NEW	MUNICIPAL SOLID WASTE LANDFILL FACILITY
2007	5100A061000GA005230	3	27	2007	170	0200290	1,265.00	C050603184	T0092931	14	PMT#14: ENV & ENG SERV - DESIGN OF NEW	MUNICIPAL SOLID WASTE LANDFILL FACILITY
2007	5100A061000GA005230	3	27	2007	170	0200290	67,341.00	C050603185	T0092931	15	PMT#15: ENV & ENG SERV - DESIGN OF NEW	MUNICIPAL SOLID WASTE LANDFILL FACILITY
2007	5100A061000GA005230	4	24	2007	170	0199494	686.92	C060601580	B0097995	M-221279	TASK1/2-INITIATION & MANAGEMENT OF PROJ	RE: 42941-SW PROC ASSIST, FEB04-MAR03,'07
2007	5100A061000GA005230	5	16	2007	170	0200730	62,069.66	C050603183	T0092931	06-056-04	PMT#16 ENVRMTL & ENG SVCS FOR MUNICIPAL	SOLID WASTE LANDFILL FAC DPWSW2004(003)

2007 5100A061000GA005230	6	27	2007	170	0214297	316,801.00	C050603183	T0092931	18	PMT#18 ENVIRO/ENG SVC: MUNICIPAL S/W	LANDFILL FAC PROJ#DPWSW2004(003)
2007 5100A071000GA005230	5	10	2007	170	0204567	11,358.06	C070601130	S0098754	01	CONSULTANT: PROF/TECH CONSENT DECREE PRJ	PRJ#DPW-SW-2006(003)
2007 5100A071000GA005230	5	10	2007	170	0204567	27,527.86	C070601130	S0098754	02	CONSULTANT: PROF/TECH CONSENT DECREE PRJ	PRJ#DPW-SW-2006(003)
2007 5100A071000GA005230	6	27	2007	170	0214296	28,988.78	C070601130	S0098754	03	03/CONSULTANT: PROF/TECH CONSENT DECREE	PRJ#DPW-SW-2006(003)
2007 5100A071000GA005230	8	8	2007	170	0235851	37,497.25	C070601130	S0098754	04	PYT 04: TECHNICAL SPECIALIST CONSULTANT	- CONSENT DECREE PROJ (DPW-SW-2006 #003)
2007 5100A071000GA005230	8	10	2007	170	0235167	144,733.05	C050603186	T0092931	21	PYT 21: ENV & ENG SERV - DESIGN NEW MUNI	CIPAL SOLID WASTE LANDFILL FACILITY
2007 5100A071000GA005230	8	23	2007	170	0235851	36,673.72	C070601130	S0098754	05	PMT#05: TECHNICAL SPECIALIST CONSULTANT	- CONSENT DECREE PROJ (DPW-SW-2006 #003)
2007 5100A071000GA005230	8	23	2007	170	0235851	9,232.18	C070601130	S0098754	06	PMT#06: TECHNICAL SPECIALIST CONSULTANT	- CONSENT DECREE PROJ (DPW-SW-2006 #003)
2006 5100A061000GA005230	3	29	2006	190	0121505	1,410,950.00	D061050011	T0093030	G06.0091	PMT OF GOVT CLAIM#GC06.0091; TG ENGINEERS INC.	REF: ORDOT CONSENT DECREE PROJ
2006 5100A061000GA005230	4	17	2006	391	J060600297	10,000.00	D061050012			PERMIT LANDFILL APPL: DPW-SWM/INARAJAN	
2006 5100A061000GA005230	8	17	2006	170	0148953	39,688.80	C060601480	T0092931	01	PYT 01: WETLAND MITIGATION PLAN - ORDOT	DUMP CLOSURE
2006 5100A061000GA005230	9	11	2006	170	0148944	16,964.05	C060601580	B0097995	M176970	PH1-INITIATION AND MANAGEMENT OF PROJECT	
2006 5100A061000GA005230	9	19	2006	170	0154100	25,930.00	C050603183	T0092931	08	PYT 08: ENV & ENG SERV FOR DSGN OF NEW	MUNICIPAL SLD WASTE LANDFILL FACILITY
TOTAL =						4,347,755.24					

UNITED STATES DISTRICT COURT
DISTRICT OF GUAM

CIVIL MINUTES--GENERAL

Case No. CV 01-00041 CBM

Date: April 18, 2011

Title: J.C., et al. v. Calvo, et al.

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DOCKET ENTRY ORDER: Second Order Modifying Funding Schedule

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PRESENT: Honorable CONSUELO B. MARSHALL, UNITED STATES DISTRICT JUDGE

Francine A. Diaz

Deputy Clerk

ATTORNEYS PRESENT FOR PLAINTIFFS:

N/A

N/A

Court Reporter

ATTORNEYS PRESENT FOR DEFENDANTS:

N/A

PROCEEDINGS:

The matter before the Court is the Defendants' Motion for Extension of Deadlines for Payment ("Motion"), filed without objection by the Plaintiffs. [Docket No. 848]. In the Motion, Defendants request a thirty (30) day extension for all future deadlines for deposit of funds ordered by the Court. The Court hereby **GRANTS** the Motion and modifies the funding schedule set out in its November 9, 2010 Order Requiring Deposit of *Res* accordingly. [Docket No. 813].

The Government of Guam shall deposit the ordered payments with a trustee, to be designated by the FMT and approved by the Court, as follows:

- \$1,000,000 to be deposited no later than May 2, 2011;
- \$2,000,000 to be deposited no later than June 1, 2011;
- \$500,000 to be deposited no later than July 1, 2011;
- \$3,200,000 to be deposited no later than August 1, 2011;
- \$1,000,000 to be deposited no later than October 3, 2011;
- \$500,000 to be deposited no later than December 1, 2011;
- \$1,500,000 to be deposited no later than January 3, 2012;
- \$1,000,000 to be deposited no later than April 2, 2012;
- \$1,000,000 to be deposited no later than November 1, 2012; and
- \$250,000 to be deposited no later than August 1, 2013.

In the event no trustee has been approved by the Court at the time of a scheduled payment, said payment shall be deposited with the Clerk of Court.

IT IS SO ORDERED.

Initials of Deputy Clerk FAD

cc: Judge Marshall
Parties of Record

**Bureau of Budget & Management Research
Fiscal Note of Bill No. 184-31 (LS)**

AN ACT TO PROVIDE SUPPLEMENTAL APPROPRIATIONS FOR THE OPERATIONS OF THE EXECUTIVE BRANCH OF THE GOVERNMENT OF GUAM FOR FISCAL YEAR ENDING SEPTEMBER 30, 2011; AND FOR OTHER PURPOSES.

Department/Agency Appropriation Information

Dept./Agency Affected: All Government of Guam Departments/Agencies	Dept./Agency Head: All Department/Agency Heads
Department's General Fund (GF) appropriation(s) to date: P.L. 30-106 to P.L. 31-19)	535,242,693
Department's Other Fund (Specify) appropriation(s) to date: P.L. 30-196 to P.L. 31-19)	149,102,854
Total Department/Agency Appropriation(s) to date:	\$684,345,547

Fund Source Information of Proposed Appropriation

	General Fund:	(Land Survey Revolving Fund)	Total:
FY 2010 Unreserved Fund Balance ¹		\$4,049,398	\$4,049,398
FY 2011 Adopted Revenues	\$535,231,228	\$3,435,561	\$538,666,789
FY 2011 Appro. (P.L. 30-196)	(\$535,242,693)	(\$3,364,525)	(\$538,607,218)
Sub-total:	(\$11,465)	\$4,120,434	\$4,108,969
Less appropriation in Bill	\$0	\$0	\$0
Total:	(\$11,465)	\$4,120,434	\$4,108,969

Estimated Fiscal Impact of Bill

	One Full Fiscal Year	For Remainder of FY 2011 (if applicable)	FY 2012	FY 2013	FY 2014	FY 2015
General Fund	\$0	\$36,642,267	\$0	\$0	\$0	\$0
Land Survey Revolving Fund	\$0	\$71,036	\$0	\$0	\$0	\$0
Total	\$0	\$36,713,303	\$0	\$0	\$0	\$0

- Does the bill contain "revenue generating" provisions? / / Yes /X/ No
If Yes, see attachment
- Is amount appropriated adequate to fund the intent of the appropriation? / / N/A /X/ Yes / / No
If no, what is the additional amount required? \$ _____ /X/ N/A
- Does the Bill establish a new program/agency? / / Yes /X/ No
If yes, will the program duplicate existing programs/agencies? /X/ N/A / / Yes / / No
Is there a federal mandate to establish the program/agency? / / Yes / / No
- Will the enactment of this Bill require new physical facilities? / / Yes /X/ No
- Was Fiscal Note coordinated with the affected dept/agency? If no, indicate reason: / / Yes /X/ No
/ / Requested agency comments not received by due date /X/ Other: _____

Analyst: <u>William P. Tabor</u> Date: <u>5/12/11</u> Director: <u>Benita A. Manglona</u> Date: <u>5/13/11</u>
William P. Tabor, BMA Supvr. Benita A. Manglona, Director

Footnotes:
1/ Land Survey Revolving Fund - Unreserved Fund Balance is based on Unaudited FY 2010 Financial Statements. It does not reflect the \$3,748,298 transferred into the DLM Building Construction Fund authorized by P.L. 29-135. 2/ See Attachments A & B to Fiscal Note.

ATTACHMENT A - FISCAL NOTE ON BILL NO. 184-31 (LS)
FY2011 Reprogramming & Supplemental Appropriations Request
Analysis by Section, Department and Amount

(A)	(B)	(C)	(D)	(E)	(F)	(G)
			GENERAL FUND APPROPRIATION	GENERAL FUND APPROPRIATION	GENERAL FUND APPROPRIATION	
Section	Chapter/Section	Purpose / Department	GRAND TOTAL	ADJUSTMENT (+)	REVISED GRAND TOTAL	Notes
1	N/A	Findings and Intent				
2	N/A	Short Title				
3	N/A	Miscellaneous Offsets with GRRF				
3(a)	XI: Sec 2 (f)	Retirees Medical/Dental/Life Premiums	\$19,500,000	\$8,142,267	\$27,642,267	
3(b)	N/A	GMHA - Pay outstanding & current liabilities (employer/employee share) to GGRF	\$0	\$7,300,000	\$7,300,000	
3(c)	N/A	Provision for Offset - Receivables/Liabilities				
		Subtotal - Offsets	\$19,500,000	\$15,442,267	\$34,942,267	
4	N/A	Base Operational Appropriations (subitems (a) through (o) - Repeal & Reenact Various Sections of P.L.30-219/P.L. 30-224				
	Chapter III - Health					
	III: Part II: Sec 2 /					
4(a)	30-224; Sec 3 (f)(6)	Public Health and Social Services	\$33,063,031	\$291,085	\$33,354,116	
4(b)	III: Part III: Sec 2	Mental Health and Substance Abuse	\$6,852,451	\$1,739,295	\$8,591,746	
4(c)	III: Part IV: Sec 2	Integrated Services for Individuals with Disabilities	\$1,195,911	\$166,947	\$1,362,858	
	Chapter V - Executive Branch					
	V: Sec 2 (a) / 30-224; Sec					
4(d)	3(d) iii	Office of I Maga'Lahi	\$5,717,256	\$650,000	\$6,367,256	
4(e)	V: Sec 2 (b)	Ancestral Land Commission	\$206,369	\$20,515	\$226,884	
4(f)	V: Sec 2 (c)	Bureau of Budget and Management Research	\$248,659	\$59,754	\$308,413	
4(g)	V: Sec 2 (e)	Administration	\$6,308,135	\$932,882	\$7,241,017	
4(h)	V: Sec 2 (e) (11) / 30-224; Sec 3(f)(9)	Administration - Bank Fees	\$900,000	\$1,927,939	\$2,827,939	
4(i)	V: Sec 2 (i)	Public Works	\$8,231,180	\$479,116	\$8,710,296	
4(j)	V: Sec 2 (l)	Guam Police Department	\$22,319,940	\$0	\$22,319,940	
4(k)	V: Sec 2 (m)	Corrections	\$14,330,593	\$0	\$14,330,593	
4(l)	V: Sec 2 (p)	Youth Affairs	\$4,046,407	\$116,432	\$4,162,839	
4(m)	V: Sec 2 (t)	Land Management	\$0	\$243,223	\$243,223	u
4(n)	V: Sec 2 (u)	Chief Medical Examiner	\$401,757	\$25,678	\$427,435	
4(o)	V: Sec 2 (aa) / 30-224; Sec 3 (f) (4)	Guam Fire	\$19,334,388	\$3,989,455	\$23,323,843	
		Subtotal - Base Operational Supplemental	\$162,156,077	\$10,642,321	\$133,798,358	
	Chapter XI - Miscellaneous Appropriations					
5	XI: Sec 2 (a)	Supplemental Annuity Benefits	\$11,375,000	\$321,303	\$11,696,303	
6	XI: Sec 2 (h)	Retirees Medicare Premiums	\$702,000	\$285,000	\$987,000	
7	XI: Sec 2 (i)	I Maga'lahi / I Segundu na Maga'lahi / I Segundu na Maga'haga Pensions	\$145,000	\$65,636	\$210,636	
8	XI: Sec 2 (j)	Judges / Justices Retirement Annuities	\$458,448	\$7,981	\$466,429	
		Subtotal - Miscellaneous Supplemental	\$12,680,448	\$679,920	\$13,360,368	
	Additional Miscellaneous Appropriations					
9		Health/Dental/Life Ins. - Health Benefit Fund	\$3,644,455	\$3,303,431	\$6,947,886	
10		Utility Bank Fund (Cost Account for WATER)	\$1,109,928	\$1,310,000	\$2,419,928	
11		GPD - Payment of Prior Year 2010 Overtime	\$0	\$338,493	\$338,493	
12		Corrections - Payment of Prior Year 2010 Overtime	\$0	\$1,685,835	\$1,685,835	
13(a)		Bureau of Information Technology - GovGuam Consolated Information Technology Environment	\$0	\$200,000	\$200,000	
13(b)		Bureau of Information Technology - 3 yr license for Govguam antivirus program	\$0	\$140,000	\$140,000	
14(a)		BOSP Census Funds - F Library Project	\$0	\$100,000	\$100,000	

(A)	(B)	(C)	(D)	(E)	(F)	(G)
			GENERAL FUND	GENERAL FUND	GENERAL FUND	
BW 184-31	P.L. 30-196/P.L. 30-224		APPROPRIATION	APPROPRIATION	APPROPRIATION	
Section	Chapter/Section	Purpose / Department	GRAND TOTAL	ADJUSTMENT (+)	REVISED GRAND TOTAL	Notes
14(b)		BOSP Census Funds - Improving Statistical Date Management through IT Project	\$0	\$100,000	\$100,000	
15		Revenue & Taxation - E-Filing Program	\$0	\$400,000	\$400,000	
16		Department of Education - Supplement Operations for ARRA MOE	\$0	\$1,300,000	\$1,300,000	
17		GGRF - Interest Payment for COLA	\$0	\$1,000,000	\$1,000,000	
		Subtotal - Additional Misc. Approps.	\$4,754,383	\$9,877,759	\$14,632,142	
		TOTAL GENERAL FUND - SUPPLEMENTAL	\$179,590,908	\$21,200,000	\$161,790,908	
		Funding Sources for Supplemental & Miscellaneous Appropriations				
18	XI: Sec 7 (b)	Competitive Wage Act of 2011 (HAY Plan)		\$7,600,000		
19(a)		State of Legal Residence - Sec. 30		\$2,300,000		
19(b)		American Opportunity Credit		\$2,300,000		
19(c)		Rebate Reimbursement		\$600,000		
20		BOSP Census Funds (Offset w/GF)		\$1,000,000		
21		DPW Construction Layon Landfill Capital Costs		\$4,300,000		
22		TAF Revenues over Deposit-Bond Reserve Funds		\$1,000,000		
23		Autonomous Agency Collections Fund		\$2,100,000		
		TOTAL FUNDING SOURCES	\$0	\$21,200,000	\$0	
		Miscellaneous Provisions				
24		Authorization to Pay PYO to GMHA				
25		Authorization for GPD & DOC to PYO for Overtime				
26		Authorization to make payments of PYO				
27		Amendment to Transfer Authority of I Maga'lahaen Guahan				
28		Amendment to Special Fund Transfer Authority of I Maga'lahaen Guahan				
29		Authorization for DRT to Recruit Personnel to Enhance Revenue Generation				
30		Severability				

Notes:

1/ Includes an appropriation of \$71,036 up to the level of the adopted revenues for the Land Survey Revolving Fund.

ATTACHMENT B - FISCAL NOTE ON BILL NO. 184-31 (LS)

FY2011 Reprogramming & Supplemental Request
Base Operational Appropriations - P.L. 30-196/P.L. 30-224
Supplemental Funding Adjustment Worksheet by Department

SECTION 4 OF BILL No. 184-31 (LS) - Base Operational Appropriations**Section 4 (a) - Public Health & Social Services**

(Repeals & Reenacts Section 2: Part II: Chapter III: P.L. 30-196 as amended by Section 3(f)(6) of P.L. 30-224)

SUMMARY OF BASE OPERATIONAL APPROPRIATION

APPROP. CLASS	OBJECT CLASS	GENERAL FUND	ADJUSTMENT	REVISED GF	SPECIAL FUND	TOTAL
REG SALARIES	111	\$2,635,689	\$105,363	\$2,741,052	\$3,973,319	\$6,714,371
OT/SP	112	\$0	\$0	\$0	\$0	\$0
BENEFITS	113	\$923,244	\$45,713	\$968,957	\$1,304,368	\$2,273,325
TRAVEL/MILE	220	\$42,156	\$0	\$42,156	\$12,750	\$54,906
CONT. SERV.	230	\$9,233,747	\$0	\$9,233,747	\$766,696	\$10,000,443
OFF. RENTAL	233	\$471,605	\$0	\$471,605	\$162,600	\$634,205
SUP. & MAT.	240	\$71,790	\$0	\$71,790	\$331,042	\$402,832
EQUIPMENT	250	\$10,049	-\$150	\$9,899	\$0	\$9,899
WRK. COMP.	270	\$0	\$0	\$0	\$0	\$0
DRUG TEST	271	\$150	\$0	\$150	\$0	\$150
SUBGRANT	280	\$0	\$0	\$0	\$0	\$0
MISC	290	\$19,245,650	\$140,159	\$19,385,809	\$200,000	\$19,585,809
POWER	361	\$0	\$0	\$0	\$0	\$0
WATER/SEWER	362	\$0	\$0	\$0	\$0	\$0
PHONE/TOLL	363	\$428,951	\$0	\$428,951	\$20,412	\$449,363
CAP. OTLY.	450	\$0	\$0	\$0	\$0	\$0
GR. TOTAL		\$33,063,031	\$291,085	\$33,354,116	\$6,771,187	\$40,125,303

Section 4 (b) - Mental Health & Substance Abuse

(Repeals & Reenacts Section 2: Part III: Chapter III: P.L. 30-196)

SUMMARY OF BASE OPERATIONAL APPROPRIATION

APPROP. CLASS	OBJECT CLASS	GENERAL FUND	ADJUSTMENT	REVISED GF	SPECIAL FUND	TOTAL
REG SALARIES	111	\$2,816,522	\$191,641	\$3,008,163	\$2,187,851	\$5,196,014
OT/SP	112	\$54,851	\$14	\$54,865	\$30,200	\$85,065
BENEFITS	113	\$984,962	-\$44,904	\$940,058	\$670,304	\$1,610,362
TRAVEL/MILE	220	\$0	\$0	\$0	\$0	\$0
CONT. SERV.	230	\$2,704,756	\$1,585,618	\$4,290,374	\$254,075	\$4,544,449
OFF. RENTAL	233	\$98,000	-\$1,340	\$96,660	\$0	\$96,660
SUP. & MAT.	240	\$0	\$3,016	\$3,016	\$1,041,169	\$1,044,185
EQUIPMENT	250	\$19,100	\$0	\$19,100	\$143,339	\$162,439
WRK. COMP.	270	\$0	\$0	\$0	\$0	\$0
DRUG TEST	271	\$0	\$0	\$0	\$0	\$0
SUBGRANT	280	\$0	\$0	\$0	\$0	\$0
MISC	290	\$54,260	\$25,000	\$79,260	\$509,000	\$588,260
POWER	361	\$0	\$0	\$0	\$0	\$0
WATER/SEWER	362	\$0	\$0	\$0	\$0	\$0
PHONE/TOLL	363	\$120,000	-\$19,750	\$100,250	\$0	\$100,250
CAP. OTLY.	450	\$0	\$0	\$0	\$165,000	\$165,000
GR. TOTAL		\$6,852,451	\$1,739,295	\$8,591,746	\$5,000,938	\$13,592,684

ATTACHMENT B - FISCAL NOTE ON BILL NO. 184-31 (LS)

FY2011 Reprogramming & Supplemental Request
Base Operational Appropriations - P.L. 30-196/P.L. 30-224
Supplemental Funding Adjustment Worksheet by Department

Section 4 (c) - Department of Integrated Services for Individuals with Disabilities
 (Repeals and Reenacts Section 2: Part III: Chapter IV: P.L. 30-196)

SUMMARY OF BASE OPERATIONAL APPROPRIATION

APPROP. CLASS	OBJECT CLASS	GENERAL FUND	ADJUSTMENT	REVISED GF	SPECIAL FUND	TOTAL
REG SALARIES	111	\$282,188	\$135,178	\$417,366	\$0	\$417,366
OT/SP	112	\$0	\$0	\$0	\$0	\$0
BENEFITS	113	\$98,100	\$31,769	\$129,869	\$0	\$129,869
TRAVEL/MILE	220	\$0	\$0	\$0	\$0	\$0
CONT. SERV.	230	\$68,040	\$0	\$68,040	\$513,881	\$581,921
OFF. RENTAL	233	\$118,128	\$0	\$118,128	\$0	\$118,128
SUP. & MAT.	240	\$4,000	\$0	\$4,000	\$0	\$4,000
EQUIPMENT	250	\$0	\$0	\$0	\$0	\$0
WRK. COMP.	270	\$0	\$0	\$0	\$0	\$0
DRUG TEST	271	\$0	\$0	\$0	\$0	\$0
SUBGRANT	280	\$0	\$0	\$0	\$0	\$0
MISC	290	\$609,955	\$0	\$609,955	\$0	\$609,955
POWER	361	\$0	\$0	\$0	\$0	\$0
WATER/SEWER	362	\$0	\$0	\$0	\$0	\$0
PHONE/TOLL	363	\$15,500	\$0	\$15,500	\$0	\$15,500
CAP. OTLY.	450	\$0	\$0	\$0	\$0	\$0
GR. TOTAL		\$1,195,911	\$166,947	\$1,362,858	\$513,881	\$1,876,739

Section 4 (d) - Office of I Mago'lahi

(Repeals & Reenacts Section 2a: Chapter V: P.L. 30-196 as amended by Section 3(d)iii of P.L. 30-224)

SUMMARY OF BASE OPERATIONAL APPROPRIATION

APPROP. CLASS	OBJECT CLASS	GENERAL FUND	ADJUSTMENT	REVISED GF	SPECIAL FUND	TOTAL
REG SALARIES	111	\$3,268,039	\$462,085	\$3,730,124	\$239,673	\$3,969,797
OT/SP	112	\$0	\$0	\$0	\$0	\$0
BENEFITS	113	\$1,129,736	\$187,915	\$1,317,651	\$79,930	\$1,397,581
TRAVEL/MILE	220	\$0	\$0	\$0	\$42,500	\$42,500
CONT. SERV.	230	\$920,000	\$0	\$920,000	\$7,500	\$927,500
OFF. RENTAL	233	\$35,000	\$0	\$35,000	\$0	\$35,000
SUP. & MAT.	240	\$70,633	\$0	\$70,633	\$3,500	\$74,133
EQUIPMENT	250	\$55,855	-\$3,750	\$52,105	\$0	\$52,105
WRK. COMP.	270	\$0	\$0	\$0	\$0	\$0
DRUG TEST	271	\$0	\$3,750	\$3,750	\$0	\$3,750
SUBGRANT	280	\$0	\$0	\$0	\$0	\$0
MISC	290	\$71,993	\$0	\$71,993	\$7,500	\$79,493
POWER	361	\$0	\$0	\$0	\$0	\$0
WATER/SEWER	362	\$0	\$0	\$0	\$0	\$0
PHONE/TOLL	363	\$91,000	\$0	\$91,000	\$7,500	\$98,500
CAP. OTLY.	450	\$75,000	\$0	\$75,000	\$0	\$75,000
GR. TOTAL		\$5,717,256	\$650,000	\$6,367,256	\$388,103	\$6,755,359

ATTACHMENT B - FISCAL NOTE ON BILL NO. 184-31 (LS)

FY2011 Reprogramming & Supplemental Request
Base Operational Appropriations - P.L. 30-196/P.L. 30-224
Supplemental Funding Adjustment Worksheet by Department

Section 4 (e) - Ancestral Lands Commission
 (Repeals & Reenacts Section 2b: Chapter V: P.L. 30-196)

SUMMARY OF BASE OPERATIONAL APPROPRIATION

APPROP. CLASS	OBJECT CLASS	GENERAL FUND	ADJUSTMENT	REVISED GF	SPECIAL FUND	TOTAL
REG SALARIES	111	\$128,399	\$11,166	\$139,565	\$0	\$139,565
OT/SP	112	\$0	\$0	\$0	\$0	\$0
BENEFITS	113	\$43,136	\$2,445	\$45,581	\$0	\$45,581
TRAVEL/MILE	220	\$0	\$0	\$0	\$0	\$0
CONT. SERV.	230	\$0	\$2,204	\$2,204	\$0	\$2,204
OFF. RENTAL	233	\$31,334	\$4,700	\$36,034	\$0	\$36,034
SUP. & MAT.	240	\$500	\$0	\$500	\$0	\$500
EQUIPMENT	250	\$0	\$0	\$0	\$0	\$0
WRK. COMP.	270	\$0	\$0	\$0	\$0	\$0
DRUG TEST	271	\$0	\$0	\$0	\$0	\$0
SUBGRANT	280	\$0	\$0	\$0	\$0	\$0
MISC	290	\$0	\$0	\$0	\$0	\$0
POWER	361	\$0	\$0	\$0	\$0	\$0
WATER/SEWER	362	\$0	\$0	\$0	\$0	\$0
PHONE/TOLL	363	\$3,000	\$0	\$3,000	\$0	\$3,000
CAP. OTLY.	450	\$0	\$0	\$0	\$0	\$0
GR. TOTAL		\$206,369	\$20,515	\$226,884	\$0	\$226,884

Section 4 (f) - Bureau of Budget and Management Research
 (Repeals & Reenacts Section 2c: Chapter V: P.L. 30-196)

SUMMARY OF BASE OPERATIONAL APPROPRIATION

APPROP. CLASS	OBJECT CLASS	GENERAL FUND	ADJUSTMENT	REVISED GF	SPECIAL FUND	TOTAL
REG SALARIES	111	\$188,888	\$33,990	\$222,878	\$324,754	\$547,632
OT/SP	112	\$0	\$0	\$0	\$0	\$0
BENEFITS	113	\$30,268	\$25,763	\$56,031	\$114,116	\$170,147
TRAVEL/MILE	220	\$0	\$0	\$0	\$0	\$0
CONT. SERV.	230	\$13,170	\$0	\$13,170	\$0	\$13,170
OFF. RENTAL	233	\$0	\$0	\$0	\$0	\$0
SUP. & MAT.	240	\$2,000	\$0	\$2,000	\$0	\$2,000
EQUIPMENT	250	\$0	\$0	\$0	\$0	\$0
WRK. COMP.	270	\$0	\$0	\$0	\$0	\$0
DRUG TEST	271	\$0	\$0	\$0	\$0	\$0
SUBGRANT	280	\$0	\$0	\$0	\$0	\$0
MISC	290	\$0	\$0	\$0	\$0	\$0
POWER	361	\$0	\$0	\$0	\$0	\$0
WATER/SEWER	362	\$0	\$0	\$0	\$0	\$0
PHONE/TOLL	363	\$14,333	\$1	\$14,334	\$0	\$14,334
CAP. OTLY.	450	\$0	\$0	\$0	\$0	\$0
GR. TOTAL		\$248,659	\$59,754	\$308,413	\$438,870	\$747,283

ATTACHMENT B - FISCAL NOTE ON BILL NO. 184-31 (LS)

FY2011 Reprogramming & Supplemental Request
Base Operational Appropriations - P.L. 30-196/P.L. 30-224
Supplemental Funding Adjustment Worksheet by Department

Section 4 (g) - Administration
 (Repeals & Reenacts Section 2e: Chapter V: P.L. 30-196)

SUMMARY OF BASE OPERATIONAL APPROPRIATION

APPROP. CLASS	OBJECT CLASS	GENERAL FUND	ADJUSTMENT	REVISED GF	SPECIAL FUND	TOTAL
REG SALARIES	111	\$3,954,496	\$902,769	\$4,857,265	\$247,653	\$5,104,918
OT/SP	112	\$0	\$3,392	\$3,392	\$0	\$3,392
BENEFITS	113	\$1,340,355	\$23,721	\$1,364,076	\$86,643	\$1,450,719
TRAVEL/MILE	220	\$0	\$0	\$0	\$0	\$0
CONT. SERV.	230	\$614,047	\$3,000	\$617,047	\$0	\$617,047
OFF. RENTAL	233	\$0	\$0	\$0	\$0	\$0
SUP. & MAT.	240	\$24,237	\$0	\$24,237	\$4,073	\$28,310
EQUIPMENT	250	\$0	\$0	\$0	\$0	\$0
WRK. COMP.	270	\$0	\$0	\$0	\$0	\$0
DRUG TEST	271	\$0	\$0	\$0	\$0	\$0
SUBGRANT	280	\$0	\$0	\$0	\$0	\$0
MISC	290	\$0	\$0	\$0	\$0	\$0
POWER	361	\$0	\$0	\$0	\$0	\$0
WATER/SEWER	362	\$0	\$0	\$0	\$0	\$0
PHONE/TOLL	363	\$375,000	\$0	\$375,000	\$0	\$375,000
CAP. OTLY.	450	\$0	\$0	\$0	\$0	\$0
GR. TOTAL		\$6,308,135	\$932,882	\$7,241,017	\$338,369	\$7,579,386

Section 4 (i) - Public Works
 (Repeals and Reenacts Section 2i: Chapter V: P.L. 30-196)

SUMMARY OF BASE OPERATIONAL APPROPRIATION

APPROP. CLASS	OBJECT CLASS	GENERAL FUND	ADJUSTMENT	REVISED GF	SPECIAL FUND	TOTAL
REG SALARIES	111	\$5,590,106	\$221,209	\$5,811,315	\$6,329,923	\$12,141,238
OT/SP	112	\$0	\$0	\$0	\$59,712	\$59,712
BENEFITS	113	\$1,962,667	-\$136,538	\$1,826,129	\$2,140,856	\$3,966,985
TRAVEL/MILE	220	\$0	\$0	\$0	\$0	\$0
CONT. SERV.	230	\$53,559	\$48,412	\$101,971	\$2,718,851	\$2,820,822
OFF. RENTAL	233	\$0	\$0	\$0	\$0	\$0
SUP. & MAT.	240	\$561,248	\$345,892	\$907,140	\$1,704,435	\$2,611,575
EQUIPMENT	250	\$0	\$0	\$0	\$635,070	\$635,070
WRK. COMP.	270	\$0	\$0	\$0	\$6,000	\$6,000
DRUG TEST	271	\$0	\$0	\$0	\$0	\$0
SUBGRANT	280	\$0	\$0	\$0	\$0	\$0
MISC	290	\$0	\$0	\$0	\$5,250	\$5,250
POWER	361	\$0	\$0	\$0	\$0	\$0
WATER/SEWER	362	\$0	\$0	\$0	\$0	\$0
PHONE/TOLL	363	\$45,600	\$141	\$45,741	\$72,135	\$117,876
CAP. OTLY.	450	\$18,000	\$0	\$18,000	\$510,000	\$528,000
GR. TOTAL		\$8,231,180	\$479,116	\$8,710,296	\$14,182,232	\$22,892,528

ATTACHMENT B - FISCAL NOTE ON BILL NO. 184-31 (LS)

FY2011 Reprogramming & Supplemental Request
Base Operational Appropriations - P.L. 30-196/P.L. 30-224
Supplemental Funding Adjustment Worksheet by Department

Section 4 (j) - Guam Police

(Repeals & Reenacts Section 2l: Chapter V: P.L. 30-196)

SUMMARY OF BASE OPERATIONAL APPROPRIATION

APPROP CLASS	OBJECT CLASS	GENERAL FUND	ADJUSTMENT	REVISED GF	SPECIAL FUND	TOTAL
REG SALARIES	111	\$15,401,914	-\$140,068	\$15,261,846	\$0	\$15,261,846
OT/SP	112	\$677,533	\$706,258	\$1,383,791	\$0	\$1,383,791
BENEFITS	113	\$5,228,319	-\$622,424	\$4,605,895	\$0	\$4,605,895
TRAVEL/MILE	220	\$0	\$0	\$0	\$0	\$0
CONT. SERV.	230	\$15,000	\$217,200	\$232,200	\$511,790	\$743,990
OFF. RENTAL	233	\$232,200	-\$140,324	\$91,876	\$0	\$91,876
SUP. & MAT.	240	\$304,235	\$2,614	\$306,849	\$58,320	\$365,169
EQUIPMENT	250	\$0	\$0	\$0	\$0	\$0
WRK. COMP.	270	\$20,387	-\$3,370	\$17,017	\$0	\$17,017
DRUG TEST	271	\$0	\$0	\$0	\$0	\$0
SUBGRANT	280	\$0	\$0	\$0	\$0	\$0
MISC	290	\$147,300	\$0	\$147,300	\$0	\$147,300
POWER	361	\$0	\$0	\$0	\$0	\$0
WATER/SEWER	362	\$0	\$0	\$0	\$0	\$0
PHONE/TOLL	363	\$293,052	-\$19,886	\$273,166	\$0	\$273,166
CAP. OTLY.	450	\$0	\$0	\$0	\$0	\$0
GR. TOTAL		\$22,319,940	\$0	\$22,319,940	\$570,110	\$22,890,050

Section 4 (k) - Corrections

(Repeals & Reenacts Section 2m: Chapter V: P.L. 30-196)

SUMMARY OF BASE OPERATIONAL APPROPRIATION

APPROP CLASS	OBJECT CLASS	GENERAL FUND	ADJUSTMENT	REVISED GF	SPECIAL FUND	TOTAL
REG SALARIES	111	\$8,526,210	-\$262,225	\$8,263,985	\$0	\$8,263,985
OT/SP	112	\$432,059	\$741,849	\$1,173,908	\$0	\$1,173,908
BENEFITS	113	\$2,949,505	-\$479,624	\$2,469,881	\$0	\$2,469,881
TRAVEL/MILE	220	\$0	\$0	\$0	\$0	\$0
CONT. SERV.	230	\$2,056,504	\$0	\$2,056,504	\$1,063,662	\$3,120,166
OFF. RENTAL	233	\$114,000	\$0	\$114,000	\$0	\$114,000
SUP. & MAT.	240	\$102,515	\$0	\$102,515	\$96,000	\$198,515
EQUIPMENT	250	\$0	\$0	\$0	\$0	\$0
WRK. COMP.	270	\$0	\$0	\$0	\$0	\$0
DRUG TEST	271	\$0	\$0	\$0	\$0	\$0
SUBGRANT	280	\$0	\$0	\$0	\$0	\$0
MISC	290	\$79,800	\$0	\$79,800	\$0	\$79,800
POWER	361	\$0	\$0	\$0	\$0	\$0
WATER/SEWER	362	\$0	\$0	\$0	\$0	\$0
PHONE/TOLL	363	\$70,000	\$0	\$70,000	\$0	\$70,000
CAP. OTLY.	450	\$0	\$0	\$0	\$0	\$0
GR. TOTAL		\$14,330,593	\$0	\$14,330,593	\$1,159,662	\$15,490,255

ATTACHMENT B - FISCAL NOTE ON BILL NO. 184-31 (LS)**FY2011 Reprogramming & Supplemental Request****Base Operational Appropriations - P.L. 30-196/P.L. 30-224****Supplemental Funding Adjustment Worksheet by Department****Section 4 (l) - Youth Affairs**

(Repeals & Reenacts Section 2p: Chapter V: P.L. 30-196)

SUMMARY OF BASE OPERATIONAL APPROPRIATION

APPROP. CLASS	OBJECT CLASS	GENERAL FUND	ADJUSTMENT	REVISED GF	SPECIAL FUND	TOTAL
REG SALARIES	111	\$2,511,411	\$95,128	\$2,606,539	\$103,902	\$2,710,441
OT/SP	112	\$37,698	\$100,720	\$138,418	\$0	\$138,418
BENEFITS	113	\$877,744	-\$164,425	\$713,319	\$38,185	\$751,504
TRAVEL/MILE	220	\$0	\$0	\$0	\$0	\$0
CONT. SERV.	230	\$427,096	\$128,392	\$555,488	\$26,122	\$581,610
OFF. RENTAL	233	\$0	\$0	\$0	\$0	\$0
SUP. & MAT.	240	\$147,458	-\$64,588	\$82,870	\$21,590	\$104,460
EQUIPMENT	250	\$0	\$0	\$0	\$9,410	\$9,410
WRK. COMP.	270	\$0	\$0	\$0	\$0	\$0
DRUG TEST	271	\$0	\$0	\$0	\$0	\$0
SUBGRANT	280	\$0	\$0	\$0	\$0	\$0
MISC	290	\$0	\$0	\$0	\$0	\$0
POWER	361	\$0	\$0	\$0	\$0	\$0
WATER/SEWER	362	\$0	\$0	\$0	\$0	\$0
PHONE/TOLL	363	\$45,000	\$21,205	\$66,205	\$0	\$66,205
CAP. OTLY.	450	\$0	\$0	\$0	\$0	\$0
GR. TOTAL		\$4,046,407	\$116,432	\$4,162,839	\$199,209	\$4,362,048

Section 4 (m) - Land Management

(Repeals & Reenacts Section 2t: Chapter V: P.L. 30-196)

SUMMARY OF BASE OPERATIONAL APPROPRIATION

APPROP. CLASS	OBJECT CLASS	GENERAL FUND	SPECIAL FUND	ADJUSTMENT	REVISED SF	TOTAL
REG SALARIES	111	\$0	\$1,877,352		\$1,877,352	\$1,877,352
OT/SP	112	\$0	\$0		\$0	\$0
BENEFITS	113	\$0	\$644,094		\$644,094	\$644,094
TRAVEL/MILE	220	\$0			\$0	\$0
CONT. SERV.	230	\$0	\$340,277		\$340,277	\$340,277
OFF. RENTAL	233	\$243,223	\$305,424	\$71,036	\$376,460	\$619,683
SUP. & MAT.	240	\$0	\$27,972		\$27,972	\$27,972
EQUIPMENT	250	\$0	\$0		\$0	\$0
WRK. COMP.	270	\$0	\$0		\$0	\$0
DRUG TEST	271	\$0			\$0	\$0
SUBGRANT	280	\$0			\$0	\$0
MISC	290	\$0	\$7,200		\$7,200	\$7,200
POWER	361	\$0			\$0	\$0
WATER/SEWER	362	\$0			\$0	\$0
PHONE/TOLL	363	\$0	\$22,693		\$22,693	\$22,693
CAP. OTLY.	450	\$0	\$0		\$0	\$0
GR. TOTAL		\$243,223	\$3,225,012	\$71,036	\$3,296,048	\$3,539,271

ATTACHMENT B - FISCAL NOTE ON BILL NO. 184-31 (LS)

FY2011 Reprogramming & Supplemental Request
Base Operational Appropriations - P.L. 30-196/P.L. 30-224
 Supplemental Funding Adjustment Worksheet by Department

Section 4 (n) - Chief Medical Examiner
 (Repeals & Reenacts Section 2u: Chapter V: P.L. 30-196)

SUMMARY OF BASE OPERATIONAL APPROPRIATION

APPROP. CLASS	OBJECT CLASS	GENERAL FUND	ADJUSTMENT	REVISED GF	SPECIAL FUND	TOTAL
REG SALARIES	111	\$256,344	\$30,341	\$286,685	\$0	\$286,685
OT/SP	112	\$0	\$0	\$0	\$0	\$0
BENEFITS	113	\$82,979	\$1,062	\$84,041	\$0	\$84,041
TRAVEL/MILE	220	\$4,500	\$0	\$4,500	\$0	\$4,500
CONT. SERV.	230	\$44,820	\$0	\$44,820	\$0	\$44,820
OFF. RENTAL	233	\$0	\$0	\$0	\$0	\$0
SUP. & MAT.	240	\$6,174	-\$1,394	\$4,780	\$0	\$4,780
EQUIPMENT	250	\$4,285	-\$4,285	\$0	\$0	\$0
WRK. COMP.	270	\$0	\$0	\$0	\$0	\$0
DRUG TEST	271	\$0	\$0	\$0	\$0	\$0
SUBGRANT	280	\$0	\$0	\$0	\$0	\$0
MISC	290	\$35	\$0	\$35	\$0	\$35
POWER	361	\$0	\$0	\$0	\$0	\$0
WATER/SEWER	362	\$0	\$0	\$0	\$0	\$0
PHONE/TOLL	363	\$2,620	-\$46	\$2,574	\$0	\$2,574
CAP. OTLY.	450	\$0	\$0	\$0	\$0	\$0
GR. TOTAL		\$401,757	\$25,678	\$427,435	\$0	\$427,435

Section 4 (o) - Guam Fire

(Repeals & Reenacts Section 2aa: Chapter V: P.L. 30-196 as amended by Section 3(f)(4) of P.L. 30-224)

SUMMARY OF BASE OPERATIONAL APPROPRIATION

APPROP. CLASS	OBJECT CLASS	GENERAL FUND	ADJUSTMENT	REVISED GF	SPECIAL FUND	TOTAL
REG SALARIES	111	\$12,478,844	\$2,166,608	\$14,645,452	\$1,009,830	\$15,655,282
OT/SP	112	\$1,895,257	\$686,882	\$2,582,139	\$56,105	\$2,638,244
BENEFITS	113	\$4,308,092	\$982,261	\$5,290,353	\$335,329	\$5,625,682
TRAVEL/MILE	220	\$0	\$0	\$0	\$0	\$0
CONT. SERV.	230	\$222,093	\$74,061	\$296,154	\$160,000	\$456,154
OFF. RENTAL	233	\$115,000	\$0	\$115,000	\$0	\$115,000
SUP. & MAT.	240	\$165,316	\$79,643	\$244,959	\$92,296	\$337,255
EQUIPMENT	250	\$0	\$0	\$0	\$257,024	\$257,024
WRK. COMP.	270	\$8,786	\$0	\$8,786	\$0	\$8,786
DRUG TEST	271	\$0	\$0	\$0	\$0	\$0
SUBGRANT	280	\$0	\$0	\$0	\$0	\$0
MISC	290	\$96,000	\$0	\$96,000	\$10,050	\$106,050
POWER	361	\$0	\$0	\$0	\$0	\$0
WATER/SEWER	362	\$0	\$0	\$0	\$0	\$0
PHONE/TOLL	363	\$45,000	\$0	\$45,000	\$48,000	\$93,000
CAP. OTLY.	450	\$0	\$0	\$0	\$112,890	\$112,890
GR. TOTAL		\$19,334,388	\$3,989,455	\$23,323,843	\$2,081,524	\$25,405,367



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

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LIEUTENANT GOVERNOR

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FACSIMILE INFORMATION PAGE

PLEASE DELIVER TO: Sen Pangelinan
31st Guam Legislature

FACSIMILE NUMBER: 473-4238

FROM: BBMR

Total Pages including this page: 8 pages

If you do not receive legible copies of all the pages, please call back as soon

as possible. Phone numbers (671) 475-9412/9414. Fax number (671) 472-2825

RE: Fiscal Note: #184-31(LS)

COMMENTS: Pls. contact numbers above if any
questions. Thank You!

I Mina'Trentai Unu Na Liheslaturan Guåhan

Bill Log Sheet

May 04, 2011

Page 1 of 1

Bill No.	Sponsor(s)	Title	Date Introduced	Date Referred	120 Day Deadline	Committee Referred	Public Hearing Date	Date Committee Report Filed	Status (Date) Passed? Failed? Vetoed? Overridden? Public Law?
184-31 (LS)	Committee on Rules; Federal, Foreign & Micronesian Affairs; and Human & Natural Resources at the request of <i>I Maga'lahaen Guåhan</i> , the Governor of Guam, in accordance with the Organic Act of Guam.	AN ACT TO PROVIDE SUPPLEMENTAL APPROPRIATIONS FOR THE OPERATIONS OF THE EXECUTIVE BRANCH OF THE GOVERNMENT OF GUAM FOR FISCAL YEAR ENDING SEPTEMBER 30, 2011; AND FOR OTHER PURPOSES.	5/04/11 5:19 P.M.	5/04/11		Committee on Appropriations, Taxation, Public Debt, Banking, Insurance, Retirement and Land			



COMMITTEE ON RULES

I Mina'trentai Unu na Libeslaturan Guåhan • The 31st Guam Legislature
155 Hesler Place, Hagåtña, Guam 96910 • www.guamlegislature.com
E-mail: roryforguam@gmail.com • Tel: (671)472-7679 • Fax: (671)472-3547

Senator
Rory J. Respicio
CHAIRPERSON
MAJORITY LEADER

Senator
Judith P. Guthertz
VICE CHAIRPERSON
ASST. MAJORITY LEADER

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Senator
Adolpho B. Palacios, Sr.

Senator
vicente c. pangelinan

MINORITY MEMBERS:

Senator
Aline A. Yamashita
ASST. MINORITY LEADER

Senator
Christopher M. Duenas

May 4, 2011

MEMORANDUM

To: Pat Santos
Clerk of the Legislature

Attorney Therese M. Terlaje
Legislative Legal Counsel

From: Senator Rory J. Respicio
Chairperson, Committee on Rules

Subject: Referral of Bill No. 184-31 (LS)

As Chairperson of the Committee on Rules, I am forwarding my referral of Bill No. 184-31(LS) – “AN ACT TO PROVIDE SUPPLEMENTAL APPROPRIATIONS FOR THE OPERATIONS OF THE EXECUTIVE BRANCH OF THE GOVERNMENT OF GUAM FOR FISCAL YEAR ENDING SEPTEMBER 30, 2011; AND FOR OTHER PURPOSES.”

Please ensure that the subject bill is referred, in my name, to Senator vicente (ben) c. pangelinan, Chairperson of the Committee on Appropriations, Taxation, Public Debt, Banking, Insurance, Retirement and Land, as indicated on the attached “Bill Log Sheet.” I also request that the same be forwarded to all members of *I Mina'trentai Unu na Liheslaturan Guåhan*.

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

Si Yu'os ma'åse!

(1) Attachment

2011 MAY -4 PM 5:26



I Mina'trentai Unu Na Liheslaturan Guåhan

Senator Vicente (ben) Cabrera Pangelinan (D)

May 12, 2011

Memorandum

To: All Senators

From: Senator Vicente (ben) Cabrera Pangelinan

Re: Public Hearing Notice – FIRST NOTICE

Chairman
Committee on Appropriations,
Taxation, Public Debt, Banking,
Insurance, Retirement, and
Land

Vice Chairman
Committee on Education

Member
Committee on Rules,
Federal, Foreign &
Micronesian Affairs and
Human & Natural
Resources

Member
Committee on
Municipal Affairs,
Tourism, Housing, and
Recreation

Member
Committee on the Guam
Military Buildup and
Homeland Security

Member
Committee on Health and
Human Services, Senior
Citizens, Economic
Development, and Election
Reform

The Committee on Appropriations, Taxation, Public Debt, Banking, Insurance and Land will conduct a public hearing beginning at **9:00am, Thursday, May 19, 2011** at the Guam Legislature's Public Hearing Room. The following is on the agenda:

Bill No. 184-31 (COR): An Act to provide supplemental appropriations for the operations of the Executive Branch of the Government of Guam for Fiscal Year ending September 30, 2011; and for other purposes.

Bill No. 145-31 (COR): An Act making Biennial Appropriations for the operations of the Executive Branch of the government of Guam for Fiscal Year ending September 30,, 2012 and for Fiscal Year ending September 30, 2013, making other appropriations, and establishing miscellaneous and administrative provisions.

cc: Tom Unsiong, Sergeant-at-Arms
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- Faxes
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- Grants (242)**
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Lisa Cipollone

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Public Hearing - First Notice

from Lisa Cipollone cipo@guamlegislature.org 1:37 PM (14 minutes ago) Reply

to phnotice@guamlegislature.org

date Thu, May 12, 2011 at 1:37 PM

subject Public Hearing - First Notice

mailed by guamlegislature.org

Senator Vicente (ben) Cabrera Pangelinan will hold a public hearing on Thursday, May 19, 2011 beginning at 9:00am in the Guam Legislature Public Hearing Room. The agenda is as follows

INEKUNGOK PUPBLEKO (PUBLIC HEARING)

gi Huebes, gi diha 19 gi Måyu, 2011 (Thursday, May 19, 2011)

Kuåtton Inekungok Pupbleko gi I Liheslaturan Guåhan (Guam Legislature Public Hearing Room)

Alas nuebi gi egga'an despu (9:00 AM)

TAREHA (AGENDA)

Priniponi Siha (Bills)

Bill No. 184-31 (COR): An Act to provide supplemental appropriations for the operations of the Executive Branch of the Government of Guam for Fiscal Year ending September 30, 2011; and for other purposes.

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Yanggen un nisisita espesiåt na setbisio put fabot ågang i ffininan Senadot ben pangelinan gi 473-4236/7, i-mel si senbenp@guam.net , patsino hålom gi i uepsait gi www.senbenp.com. Este na nutsiu inapási nu i fendon gubetnamento.

If you require any special accommodations, please contact the Office of Senator ben pangellnan at 473-4236 , email at senbenp@guam.net or log onto www.senbenp.com

isa Cipollone
 3191 28 5128
 Office of Senator Vicente Pangelinan
 (P.H.) 473-4236
 cipo@guamlegislature.org

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tanya4families@gmail.com
tom@senatorada.org
tterlaje@guam.net



I Mina'trentai Unu Na Liheslaturan Guåhan

Senator Vicente (ben) Cabrera Pangelinan (D)

May 12, 2011

Memorandum

To: All Media

From: Senator Vicente (ben) Cabrera Pangelinan

Re: Public Hearing Notice – FIRST NOTICE

Chairman
Committee on Appropriations,
Taxation, Public Debt, Banking,
Insurance, Retirement, and
Land

Vice Chairman
Committee on Education

Member
Committee on Rules,
Federal, Foreign &
Micronesian Affairs and
Human & Natural
Resources

Member
Committee on
Municipal Affairs,
Tourism, Housing, and
Recreation

Member
Committee on the Guam
Military Buildup and
Homeland Security

Member
Committee on Health and
Human Services, Senior
Citizens, Economic
Development, and Election
Reform

The Committee on Appropriations, Taxation, Public Debt, Banking, Insurance and Land will conduct a public hearing beginning at **9:00 a.m., Thursday, May 19 2011** at the Guam Legislature's Public Hearing Room. The following is on the agenda:

Bill No. 184-31 (COR): An Act to provide supplemental appropriations for the operations of the Executive Branch of the Government of Guam for Fiscal Year ending September 30, 2011; and for other purposes.

Bill No. 145-31 (COR): An Act making Biennial Appropriations for the operations of the Executive Branch of the government of Guam for Fiscal Year ending September 30,, 2012 and for Fiscal Year ending September 30, 2013, making other appropriations, and establishing miscellaneous and administrative provisions.

Yanggen un nisisita spesiåt na setbisio put fabot ågang i Ifisinan Senadot ben pangelinan gi 473-4236/7, i-mel si senbenp@guam.net , patsino hålom gi i uepsait gi www.senbenp.com. Este na nutisiu inapåsi nu i fendon gubetnamento.

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From: **Lisa Cipollone** cipo@guamlegislature.org
 To: news@guampdn.com, news@k57.com,
 Sabrina Salas <sabrina@kuam.com>,
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 Thu, May 12, 2011 at 1:35 PM
 Subject: Public Hearing - First Notice
 To: guamlegislature.org

Senator Vicente (ben) Cabrera Pangelinan will hold a public hearing on Thursday, May 19, 2011 beginning at 9:00am in the Guam Legislature Public Hearing Room. The agenda is as follows:

INEKUNGOK PUPBLEKO (PUBLIC HEARING)

gi Huebes, gi diha 19 gi Mäyu, 2011 (Thursday, May 19, 2011)

Kuátton Inekungok Pupbleko gi l Liheslaturan Guáhan (Guam Legislature Public Hearing Room)

Alas nuebi gi egga'an despu (9:00 AM)

TAREHA (AGENDA)

Priniponi Siha (Bills)

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THIRTY-FIRST GUAM LEGISLATURE

**Senator Vicente "ben" Cabrera Pangelinan
Office of the People**

155 Hesler St., Hagatna, Guam 96910

Ph: 473-4236 Fax: 473-4238

Email: senbenp@guam.net

Website: www.senbenp.com

**INEKUNGOK PUPBLEKO
(PUBLIC HEARING)**

*gi Huebes, gi diba 19 gi Mäyu, 2011
(Thursday, May 19, 2011)*

*Kuätton Inekungok Pubbleko gi I Libeslaturan Guahan
(Guam Legislature Public Hearing Room)*

*Alas nuebi gi egga'an despu
(9:00 AM)*

**TAREHA
(AGENDA)**

**Priniponi Siha
(Bills)**

Bill No. 184-31 (COR): An Act to provide supplemental appropriations for the operations of the Executive Branch of the Government of Guam for Fiscal Year ending September 30, 2011; and for other purposes.

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THIRTY-FIRST GUAM LEGISLATURE
 Senator Vicente "ben" Cabrera Pangelinan
 Office of the People

**INEKUNGOX PUPBLEKO
 (PUBLIC HEARING)**

**gi Haebes, gi diha 19 gi Mayu, 2011
 (Thursday, May 19, 2011)**

**Kuáttion Inekungox Pupbleko gi Liheslaturan Guáhan
 (Guam Legislature Public Hearing Room)**

**Alas nuebi gi egga'an despu
 (9:00 AM)**

**TAREHA
 (AGENDA)**

**Priniponi Siha
 (Bills)**

Bill No. 184-31 (COR): An Act to provide supplemental appropriations for the operations of the Executive Branch of the Government of Guam for Fiscal Year ending September 30, 2011; and for other purposes.

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Senator Benjamin J.F. Cruz, Vice Speaker

The 31st Guam Legislature - I Mina Trentai Uno Na Liheslaturan Guahan
 155 Hesler Place Hagatna, Guam 96910
 Telephone: (671) 472-2520/1 - Facsimile: (671) 477-2522
 Web Address: www.senatorbjcruz.com - E-mail: senator@senatorbjcruz.com

2:00 P.M

OVERSIGHT HEARING ON THE DEPARTMENT OF ADMINISTRATION

Please provide written testimonies at least one day prior to the hearing to the Office of the Vice Speaker Benjamin J.F. Cruz, 155 Hesler Place, Hagatna Guam 96910. They may be sent via facsimile to 477-2522, or via email to chris.carillo@senatorbjcruz.com.

We comply with Title II of the Americans with Disabilities Act (ADA). Should you require assistance or special accommodations, please contact Garrett Duenas at the Office of the Vice Speaker Benjamin J.F. Cruz at 477-2521 or via email at garrett.duenas@senatorbjcruz.com.

THIS AD PAID FOR WITH GOVERNMENT FUNDS

THURSDAY, MAY 12, 2011

Mananes Variety



I Mina'trentai Unu Na Liheslaturan Guåhan

Senator Vicente (ben) Cabrera Pangelinan (D)

May 17, 2011

Memorandum

To: All Senators

From: Senator Vicente (ben) Cabrera Pangelinan

Re: Public Hearing Notice – SECOND NOTICE

Chairman
Committee on Appropriations,
Taxation, Public Debt, Banking,
Insurance, Retirement, and
Land

Vice Chairman
Committee on Education

Member
Committee on Rules,
Federal, Foreign &
Micronesian Affairs and
Human & Natural
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Tourism, Housing, and
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Member
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Homeland Security

Member
Committee on Health and
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The Committee on Appropriations, Taxation, Public Debt, Banking, Insurance and Land will conduct a public hearing beginning at **9:00am, Thursday, May 19, 2011** at the Guam Legislature's Public Hearing Room. The following is on the agenda:

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cc: Tom Unsiong, Sergeant-at-Arms
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Public Hearing - Second Notice

From: Lisa Cipollone cipo@guamlegislature.org
 To: phnolice@guamlegislature.org
 Date: Tue, May 17, 2011 at 11:34 AM
 Subject: Public Hearing - Second Notice
 To: guamlegislature.org

Hefa Adai,
 Senator Vicente (ben) Cabrera Pangelinan will hold a public hearing on Thursday, May 19, 2011 beginning at 9:00am in the Guam Legislature Public Hearing Room. The agenda is as follows:

INEKUNGOK PUPBLEKO (PUBLIC HEARING)

gi Huebes, gi dlha 19 gi Máyu, 2011 (Thursday, May 19, 2011)

Kuátton Inekungok Pupbleko gi I Liheslaturan Guáhan (Guam Legislature Public Hearing Room)

Alas nuebi gi egga'an despu (9:00 AM)

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Priniponi Siha (Bills)

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If you require any special accommodations, please contact the Office of Senator ben pangelinan at 473-4236, email at senbenp@guam.net or log onto www.senbenp.com

From: Lisa Cipollone
 To: phnolice@guamlegislature.org
 Date: Tue, May 17, 2011 at 11:34 AM
 Subject: Public Hearing - Second Notice
 To: guamlegislature.org

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I Mina'trentai Unu Na Liheslaturan Guahan

Senator Vicente (ben) Cabrera Pangelinan (D)

May 17, 2011

Memorandum

To: All Media

From: Senator Vicente (ben) Cabrera Pangelinan

Re: Public Hearing Notice – SECOND NOTICE

Chairman
Committee on Appropriations,
Taxation, Public Debt, Banking,
Insurance, Retirement, and
Land

Vice Chairman
Committee on Education

Member
Committee on Rules,
Federal, Foreign &
Micronesian Affairs and
Human & Natural
Resources

Member
Committee on
Municipal Affairs,
Tourism, Housing, and
Recreation

Member
Committee on the Guam
Military Buildup and
Homeland Security

Member
Committee on Health and
Human Services, Senior
Citizens, Economic
Development, and Election
Reform

The Committee on Appropriations, Taxation, Public Debt, Banking, Insurance and Land will conduct a public hearing beginning at **9:00 a.m., Thursday, May 19 2011** at the Guam Legislature's Public Hearing Room. The following is on the agenda:

Bill No. 184-31 (COR): An Act to provide supplemental appropriations for the operations of the Executive Branch of the Government of Guam for Fiscal Year ending September 30, 2011; and for other purposes.

Bill No. 145-31 (COR): An Act making Biennial Appropriations for the operations of the Executive Branch of the government of Guam for Fiscal Year ending September 30,, 2012 and for Fiscal Year ending September 30, 2013, making other appropriations, and establishing miscellaneous and administrative provisions.

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Public Hearing - Second Notice

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Hafa Adai,
 Senator Vicente (ben) Cabrera Pangelinan will hold a public hearing on Thursday, May 19, 2011 beginning at 9:00am in the Guam Legislature Public Hearing Room. The agenda is as follows.

**INEKUNGOK PUPBLEKO
 (PUBLIC HEARING)**

*gi Huebes, gi diha 19 gi Máyu, 2011
 (Thursday, May 19, 2011)*

*Kuátton Inekungok Pupbleko gi I Lihoslaturan Guàhan
 (Guam Legislature Public Hearing Room)*

*Alas nuebi gi egga'an despu
 (9:00 AM)*

**TAREHA
 (AGENDA)**

Priniponi Siha
 (Bills)

Bill No. 184-31 (COR): An Act to provide supplemental appropriations for the operations of the Executive Branch of the Government of Guam for Fiscal Year ending September 30, 2011; and for other purposes.

Bill No. 145-31 (COR): An Act making Biennial Appropriations for the operations of the Executive Branch of the government of Guam for Fiscal Year ending September 30,, 2012 and for Fiscal Year ending September 30, 2013, making other appropriations, and establishing miscellaneous and administrative provisions.

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—
 Lisa Cipollone
 Chief of Staff
 Office of Senator ben c. pangelinan



I Mina Trentai Unu Na Liheslaturan Guahan
THIRTY-FIRST GUAM LEGISLATURE

**Senator Vicente "ben" Cabrera Pangelinan
Office of the People**

155 Hesler St., Hagatna, Guam 96910
Ph: 473-4236 Fax: 473-4238
Email: senbenp@guam.net
Website: www.senbenp.com

**INEKUNGOK PUPBLEKO
(PUBLIC HEARING)**

*gi Huebes, gi diha 19 gi Mäyu, 2011
(Thursday, May 19, 2011)*

*Kuátton Inekungok Pupbleko gi I Libeslaturan Guahan
(Guam Legislature Public Hearing Room)*

*Alas nuebi gi eggu an despu
(9:00 AM)*

**TAREHA
(AGENDA)**

**Priniponi Siha
(Bills)**

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I Mina Trentai Uno Na Liheslaturan Guahan
THIRTY-FIRST GUAM LEGISLATURE
 Senator Vicente "ben" Cabrera Pangelinan
 Office of the People

**INEKUNGOK PUPBLEKO
 (PUBLIC HEARING)**

*gi Huebes, gi diha 19 gi Mayo, 2011
 (Thursday, May 19, 2011)*

**Kaditton Inekungok Pupleko gi I Liheslaturan Guahan
 (Guam Legislature Public Hearing Room)**

**Alas naebi gi egga'an despu
 (9:00 AM)**

**TAREHA
 (AGENDA)**

**Priniponi Siha
 (Bills)**

Bill No. 184-31 (COR): An Act to provide supplemental appropriations for the operations of the Executive Branch of the Government of Guam for Fiscal Year ending September 30, 2011; and for other purposes.

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Senator Benjamin J.F. Cruz, Vice Speaker

The 31st Guam Legislature - I Mina Trentai Uno Na Liheslaturan Guahan
 155 Hesler Place Hagatna, Guam 96910
 Telephone: (671) 477-2520/1 - Facsimilie: (671) 477-2522
 Web Address: www.senatorbjcruz.com - E-mail: senator@senatorbjcruz.com

2:00 P.M

OVERSIGHT HEARING ON THE DEPARTMENT OF ADMINISTRATION

Please provide written testimonies at least one day prior to the hearing to the Office of the Vice Speaker Benjamin J.F Cruz, 155 Hesler Place, Hagatna Guam 96910. They may be sent via facsimile to 477-2522, or via email to chris.carillo@senatorbjcruz.com.

We comply with Title II of the Americans with Disabilities Act (ADA). Should you require assistance or special accommodations, please contact Garrett Duenas at the Office of the Vice Speaker Benjamin J.F Cruz at 477-2521 or via email at garrett.duenas@senatorbjcruz.com.

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**I Mina'Trentai Unu Na
Liheslaturan Guahan
THIRTY-FIRST GUAM LEGISLATURE**

**Senator Vicente "ben" Cabrera Pangelinan
Office of the People**

155 Hesler St., Hagatna, Guam 96910

Ph: 473-4236 Fax: 473-4238

Email: senbenp@guam.net

Website: www.senbenp.com

**INEKUNGOK PUPBLEKO
(PUBLIC HEARING)**

*gi Huebes, gi diha 19 gi Måyu, 2011
(Thursday, May 19, 2011)*

*Kuåtton Inekungok Pubbleko gi I Liheslaturan Guahan
(Guam Legislature Public Hearing Room)*

*Alas nuebi gi egga'an despu
(9:00 AM)*

**TAREHA
(AGENDA)**

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Bill No. 184-31 (COR): An Act to provide supplemental appropriations for the operations of the Executive Branch of the Government of Guam for Fiscal Year ending September 30, 2011; and for other purposes.

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DEPARTMENT OF REVENUE AND TAXATION

Summary of DLNs with Tax Credit

MAKING WORK PAY CREDIT

TAX YEAR: 2009

As of June 1, 2011

TAX YEAR	FORM TYPE	QTY	TOTAL CLAIMS
2009	1040	15,854	\$ 8,821,457.85
2009	1040A	20,912	\$ 10,972,785.67
2009	1040EZ	9,424	\$ 3,863,128.19
2009	1040X	702	\$ 963,829.89
FINAL TOTALS		46,892	\$ 24,621,201.60

DEPARTMENT OF REVENUE AND TAXATION

Summary of DLNs with Tax Credit **SHOWING A TAX LIABILITY**

MAKING WORK PAY CREDIT

TAX YEAR: 2009

As of June 1, 2011

TAX YEAR	FORM TYPE	QTY	TOTAL CLAIMS
2009	1040	5,047	\$ 2,851,124.17
2009	1040A	2,535	\$ 1,435,676.41
2009	1040EZ	1,190	\$ 522,496.00
2009	1040X	68	\$ 65,564.00
FINAL TOTALS		8,840	\$ 4,874,860.58

	FY2010 ENC/EXP			FY2011 Authorized			Difference FY10 & FY11 Authorized		
	GF	SF	Total	GF	SF	Total	GF	SF	Total
Department of Public Works	10,088,496	11,541,939	21,630,435	8,904,647	15,572,761	24,477,408	(1,183,849)	4,030,822	2,846,973
Department of Mental Health and Substance Abuse	9,340,323	1,510,520	10,850,843	7,952,242	5,038,647	12,990,889	(1,388,081)	3,528,127	2,140,046
Department of Revenue and Taxation	8,728,372	2,241,852	10,970,224	9,966,429	2,403,358	12,369,787	1,238,057	161,506	1,399,563
Department of Public Health and Social Services	19,683,193	6,895,505	26,578,698	20,510,684	7,264,896	27,775,580	827,491	369,391	1,196,882
Guam Police Department	23,470,585	500,999	23,971,584	24,394,624	570,110	24,964,734	924,039	69,111	993,150
Customs and Quarantine Agency	0	7,655,952	7,655,952	0	8,537,065	8,537,065	0	881,113	881,113
Department of Agriculture	2,339,020	73,361	2,412,381	3,051,554	116,119	3,167,673	712,534	42,758	755,292
Department of Integrated Services for Individuals with Disabilities	768,810	452,728	1,221,538	1,222,332	513,881	1,736,213	453,522	61,153	514,675
Department of Labor	2,029,964	310,299	2,340,263	1,420,202	1,310,697	2,730,899	(609,762)	1,000,398	390,636
Chamorro Land Trust Commission	0	571,925	571,925	0	955,648	955,648	0	383,723	383,723
Civil Service Commission	517,635	0	517,635	829,234	0	829,234	311,599	0	311,599
Department of Chamorro Affairs	861,982	0	861,982	1,155,641	0	1,155,641	293,659	0	293,659
Department of Youth Affairs	4,011,916	320,574	4,332,490	4,374,855	207,837	4,582,692	362,939	(112,737)	250,202
Department of Land Management	0	3,153,968	3,153,968	0	3,364,412	3,364,412	0	210,444	210,444
Department of Military Affairs	472,471	0	472,471	657,699	0	657,699	185,228	0	185,228
Department of Parks and Recreation	3,564,704	182,798	3,747,502	3,715,648	212,694	3,928,342	150,944	29,896	180,840
Department of Corrections	17,339,754	1,275,697	18,615,451	17,632,405	1,159,662	18,792,067	292,651	(116,035)	176,616
Bureau of Statistics and Plans	1,052,902	0	1,052,902	1,195,296	0	1,195,296	142,394	0	142,394
Department of Veterans Affairs	270,884	0	270,884	410,451	0	410,451	139,567	0	139,567
Bureau of Budget and Management Research	1,293,076	0	1,293,076	275,987	1,084,488	1,360,475	(1,017,089)	1,084,488	67,399
PEALS Board	0	185,894	185,894	0	244,271	244,271	0	58,377	58,377
Guam Contractor's Licensing Board	0	576,225	576,225	0	620,293	620,293	0	44,068	44,068
Chief Medical Examiner	389,570	0	389,570	412,354	0	412,354	22,784	0	22,784
PBS Guam	633,959	0	633,959	647,513	0	647,513	13,554	0	13,554
Council for the Arts and Humanities Agency	275,981	0	275,981	288,700	0	288,700	12,719	0	12,719
Guam Commission on Education Certification	223,864	0	223,864	229,202	0	229,202	5,338	0	5,338
Guam Ancestral Lands Commission	214,610	0	214,610	214,610	0	214,610	0	0	0
Guam Public Library System	1,413,139	0	1,413,139	1,403,358	0	1,403,358	(9,781)	0	(9,781)
Guam Election Commission	691,649	250,000	941,649	892,688	0	892,688	201,039	(250,000)	(48,961)
Department of Administration	8,850,435	87,040	8,937,475	7,278,605	1,368,869	8,647,474	(1,571,830)	1,281,829	(290,001)
Guam Regional Transit Authority	0	3,182,930	3,182,930	0	2,652,866	2,652,866	0	(530,064)	(530,064)
Governor's Office	6,401,665	581,000	6,982,665	5,725,256	388,103	6,113,359	(676,409)	(192,897)	(869,306)
Guam Fire Department	28,357,754	1,214,618	29,572,372	24,783,746	3,049,003	27,832,749	(3,574,008)	1,834,385	(1,739,623)

EDDIE BAZA CALVO
Governor



RAY TENORIO
Lieutenant Governor

Office of the Governor of Guam

June 2, 2011

Honorable Judith T. Won Pat, Ed.D.
Speaker
I Mina Trentai Uno Na Liheslaturan Guåhan
155 Hesler Place
Hagåtña, Guam 96910

6-2-11
4:10 PM
[Signature]

Håfa Adai Speaker Won Pat:

This is in response to your letter of June 1, 2011 informing me that *I Liheslaturan Guåhan* will be holding session on Friday, June 3, 2011 on Bill 184-31 and that I had until 4 p.m. the next day, June 2, to respond to your concerns. Delineated below are responses to those concerns.

1. "For your consideration, we have also noticed that Bill 184-31 appears to not include any supplemental appropriations for the Department of Mental Health and Substance Abuse and the Department of Integrated Services for Individuals with Disabilities Amended Permanent Injunction for the rest of FY 2011 in the amount of \$3,700,000. This updated court ordered payment schedule was granted on April 18, 2011."

Thank you for noticing the exclusion of funding for the court ordered payments relative to the DMHSA and DISID Permanent Injunction. However, as you and the Chairman of the Committee on Appropriations (Committee) are fully aware, the FY 2011 adopted revenues have been totally appropriated in the FY 2011 Budget Act (P.L. 30-196). The Committee and the previous administration were fully cognizant of the court ordered payments. When the previous administration made the first payment in November and the second payment in December, there was no official request by the administration, or action by the Committee to fund the permanent injunction court ordered payments. Upon assuming office, I requested my fiscal team to assess the liabilities of the Government of Guam's General Fund and had the Office of Public Accountability validate those amounts. The Court-Ordered payments were included in the list of liabilities and are "unbudgeted". There was no evidence of the Committee's or the previous administration's attempt to identify funding or supplement the FY11 budget for this expense which is sure to result in the increase of the deficit. Bill No. 462-30, now P.L. 30-224, passed by the Legislature on December 22, 2010, contained 19 pages of amendments to the FY11 Budget Act (P.L. 30-196) but **did not include** any funding for the Permanent Injunction. The Permanent Injunction Court Order was issued on November 9, 2010, enough time to be included in Bill No. 462-30. While I will continue to pursue options in order to identify funds for this expense, I can only hope that the Committee on Appropriations will also pursue options for financing as it has done with previous financing Bills for other purposes.

2. "I believe there is an issue that must be dealt with swiftly in our education system. The egregious overcrowding situation in Guam's oldest and largest high school, George Washington High School (GWHS), is of great concern to me. Double Session at GWHS is merely a band-aid approach to addressing the chronic overcrowding issue at GWHS. I believe that the Department of Education may need funding in order to not only renovate the aging and debilitating infrastructure at GWHS, but also to increase its capacity. This issue needs to be dealt with for our children, in this supplemental budget, as well as in budgets for fiscal years moving forward."

Page 2

The repairs and renovations at GWHS (and all other public schools) will occur, with ARRA funding, over the next 18-20 months. The repairs include roof repairs, electrical upgrades, hardening of doors and windows, air conditioner replacements and some plumbing work that all schools are to receive. General Fund revenues should not be required to fund these needs.

The overcrowded conditions are "chronic" and have been this way for many years. I don't agree with what I'm interpreting in this letter that GWHS needs to "...increase its capacity...". What is needed is to reduce the student population, not to "increase" it. In your meetings with GDOE over the course of this year, there were a few options that were discussed which included: redistricting, building another high school, operate double sessions, and switching to a year round school calendar of instruction. The decision as to which option to choose is not mine. The experts in education should make these critical choices. Again, I must reiterate that all projected/adopted revenues have been allocated in the Budget Act for specific purposes and I am not aware of any "new" revenues of significant amounts that will be sufficient to address additional requirements.

3. "It is also important that accurate, timely, and formal communications be achieved so that the fiscal planning here at *I Liheslaturan Guåhan* is in conjunction with the formal plans and compromises being made by your office. With the exception of the threat of losing health insurance coverage if an additional \$11.4 million is not appropriated by June 1, we are happy to note that the other agencies' payrolls are fully funded through the end of the fiscal year."

It is not accurate to state that "...other agencies' payrolls are fully funded through the end of the fiscal year". First of all, the "agencies", as referenced in your letter, were not specified. However, if legislative staff conducted the expenditure analyses for all agencies, the analysis should have revealed that only 6 agencies funded by the General Fund, will not run short in "payroll". These agencies are: Agriculture, CSC, Chamorro Affairs, Military Affairs, DOL and DPR.

The loss of health insurance coverage is a real threat and this reality is why I had transmitted Bill No. 184 to the Legislature on May 4, 2011. A public hearing was held on this Bill and the Committee recommended that my administration meet with the GGRF in attempts to resolve the funding source issue which were the overpayments from the General Fund to the GGRF. We have since met with GGRF Board and Management and their proposal is enclosed for your information. The Chairman of the Committee on Appropriations has also publicly stated that he too has been involved in this process. Please note that the proposal by the GGRF as presented in the letter from the GGRF Director, dated May 31, 2010, is acceptable to this administration.

4. "In the aims of having the most productive session on this supplemental budget, I request a formal plan and response detailing this Government of Guam Retirement Fund (GGRF) Funding Compromise that has been made between your office and the GGRF just this past weekend. In addition, addressing the court ordered payments for the Amended Permanent Injunction as well as the overcrowding situation at GWHS needs to be considered in this Supplemental Appropriations Act. It is imperative that this formal plan and response, as well as possible consideration in providing a new draft or recommended amendments to your original Bill 184-31 be provided to *I Liheslaturan Guåhan* and the Committee by **Thursday, June 2, 2011 at 4:00PM.**"

It is within your power, as well as that of the Committee, to make the necessary legislative amendments it deems appropriate. Neither the laws of Guam nor the Standing Rules of *I Liheslaturan Guåhan* permit the Governor, or anyone outside the Legislature to provide amendments or to substitute a Bill already before the Legislative body. This Bill is completely and Organically within your purview. I have also enclosed the GGRF's language to effectuate the proposal for your disposition.

Page 3

I hope that we can all work together to address this government's needs in order to better serve our people and to ensure health coverage for our dedicated government of Guam employees.

Senseramente,



EDDIE BAZA CALVO

Enclosures



GOVERNMENT OF GUAM
RETIREMENT FUND
 STABILITY · SECURITY · REWARDS

Eddie Baza Calvo
 Governor

Ray Tenorio
 Lieutenant Governor

Paula M. Blas
 Director

Trustees

Joe T. San Agustin
 Chairman

Wilfred P. Leon Guerrero, Ed.D.
 Vice-Chairman
 Investment Committee, Chairman

Antolina S. Leon Guerrero
 Secretary

Gerard A. Cruz
 Treasurer
 Audit & Operations Committee,
 Chairman

George A. Santos
 Members' & Benefits Committee,
 Chairman

Katherine T.E. Taitano
 Trustee

Wilfred G. Aflagua
 Trustee

May 31, 2011

Benita A. Manglona
 Acting Director
 Department of Administration
 P.O. Box 884
 Hagåtña, Guam 96932

Dear Ms. Manglona:

As a follow-up to our May 25, 2011 letter relative to the Government of Guam's (GovGuam) impending budget shortfall, the Retirement Fund (the "Fund") Board of Trustees' (the "Board") at their regular meeting on Friday, May 27, 2011 approved the following proposed strategy to provide relief, while maintaining its fiduciary responsibility to the Fund and its members:

1. Guam Memorial Hospital Authority (GMHA) Current Year Deficiencies

Adding the balance of GMHA's current year delinquent contributions, plus interest and penalties for the defined benefit plan and the unfunded liability portion of the defined contribution plan (since it is once again delinquent in its current contributions) -- to the balance of GMHA's prior years' retirement liabilities as identified in Public Law 28-38, as amended by Public Law 30-196. As of May 23, 2011, the total amount due, including interest and penalties were \$5,526,699.06.

The above is subject to the following:

- a. *Monthly remittance* to the Fund, by the Government of Guam Department of Administration (DOA) of interest only payments, in accordance with Public Law 28-38, amended by Public Law 30-196, and as further amended to include the \$5,526,699.06 above; and
- b. *Immediate remittance* to the Fund, by GMHA of current year delinquent contributions for the Defined Contribution Plan (5% member and 5% employer contributions). These Funds will be deposited into the members' account upon receipt. The total due as of May 23, 2011 is \$1,372,512.31.

424 Route 8
 Maite, Guam 96910
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Department of Administration
May 31, 2011
Page 2

2. Supporting a temporary reduction in the government's statutory employer contribution rate, as follows:

- a. From 27.46% to 21.44%;
- b. For the nine (9) pay periods --- beginning May 22, 2011 to September 24, 2011 (PPE 6/4/11 to PPE 9/24/11);

PL 30-196 - FY2011 General Appropriations		Current Statutory Rate	Recommended Rate	Savings
FY-2011	May 22, 2011 to September 24, 2011	27.46%	21.44%	6.02%

- c. For all agencies, other than the Guam Power Authority, the A.B. Won Pat International Airport Authority, the Guam Economic Development Authority, the Guam Housing Corporation, the Retirement Fund, the Jose D. Leon Guerrero Commercial Port, the Guam Waterworks Authority, the Guam Visitors Bureau, and the Guam Housing and Urban Renewal Authority.

If you require additional information or have any additional questions, please do not hesitate to contact me or Ms. Diana T. Bernardo, Controller at 475-8943/51/12/17.

Sincerely,



PAULA M. BLAS
Director

Section ____ . Temporary Re-amortization of the Retirement Fund

The sum of \$5,526,699.06 which represents all arrears owing to the Government of Guam Retirement Fund from the Guam Memorial Hospital Authority under 4 G.C.A. §§ 8136 and 8137 as of May 23, 2011, shall be added to the 28-38 Arrears balance due and owing to the Government of Guam Retirement Fund under Public Law No. 28-38, as amended by Public Law No. 30-196, and paid to the Fund pursuant to the methodology employed in Public Law No. 30-196.

The Retirement Fund shall accept and approve for retirement any eligible employee of the Guam Memorial Hospital Authority only upon the following conditions: (1) GMHA's employer and employee contributions to the Fund under the Defined Benefit Plan, 4 G.C.A. §§ 8136 and 8137, for the applicable fiscal year must be current and paid in full, including interest and penalties pursuant to 4 G.C.A. § 8137(c). (2) The Treasurer of Guam must continue to timely make current payments as required by this Section until the balance owing under Public Law No. 28-38, as amended by Public Law No. 30-196, and as amended by this Section, is fully paid off. (3) GMHA's employer and employee contributions to the Fund under 4 G.C.A. §§ 8208 and 8209 for the applicable fiscal year must be current and paid in full.

In addition, none of the \$5,526,699.06 to be added to the 28-38 Arrears balance due and owing under Public Law No. 28-38, as amended by Public Law No. 30-196, as described above, shall include amounts owing to the Government of Guam Retirement Fund under 4 G.C.A. §§ 8208 and 8209.

Section ____ . 4 G.C.A. § 8137(b) is amended as follows:

"Government Unfunded, Liability Amortization Cost. An amount resulting from the application of a rate percent of total salaries of all members which will amortize the remaining liability for prior service over a period of eighty (80) years following May 1, 1951. From July 1, 1955, to August 30, 1972, the rate of contribution shall be not less than one and three hundred seventeen thousandths percent (1.317%) of the total salaries of the members participating in the Fund. From September 1, 1972, the rate of contributions shall be not less than one and four hundred and seven thousandths percent (1.407%) of the total salaries of the members participating in the Fund. From the beginning of the first full pay period following the beginning of the 1992 fiscal year, the rate of contribution shall be equal to thirteen and six hundred sixty-five thousandths percent (13.665%) of the total salaries of the members participating in the Fund. From October 1, 1993, the rate of contribution shall be equal to the Government Unfunded Liability Amortization Cost rate percent determined in the latest completed actuarial valuation prepared for the Board of Trustees by the actuary appointed by the Board, subject to the approval by *I Liheslaturan Guåhan* by legislation. From March 1, 2003, until the next completed actuarial valuation prepared for the Board of Trustees by the actuary appointed by the Board, the rate of contribution shall be eighteen percent (18%) of the total salaries of the members participating in the Fund. From June 1, 2011, until September 30, 2011, the rate shall be 21.44% of the total salaries of the members from agencies participating in the Fund other than the Guam Power Authority, the A.B. Won Pat International Airport Authority, the Guam Economic Development Authority, the Guam Housing Corporation, the Government of Guam Retirement Fund, the Jose D. Leon Guerrero Commercial Port, the Guam Waterworks Authority, the Guam Visitors Bureau, and the Guam Housing Urban Renewal Authority. Thereafter, the contribution shall be equal to the Government Unfunded Liability Amortization Cost rate percent prepared for the Board of Trustees by the actuary appointed by the Board, subject to approval by *I Liheslaturan Guåhan* by legislation, which will amortize the remaining liability for prior service for the full period authorized herein.

The amount of contributions by the Government shall be determined by applying the applicable

percentage rate of contributions as hereinabove prescribed to the total salaries paid to the members during each payroll period, and all such amounts shall be paid into the Fund following the close of each payroll period, concurrently with the contributions made to the Fund by the members. For purposes of this Section, the term total salaries of members shall be interpreted to include Base Pay, as defined in 4 GCA § 8301(1), of members participating in the Government Defined Contribution System.”

Section ____, Public Law No. 30-196, Ch. XIII, § 3, is amended as follows:

“Government of Guam Retirement Fund Rate of Contribution. In accordance with § 8137(e) of Article I, Chapter 8 of Title 4 of the Guam Code Annotated, the government rate of contribution to the Government of Guam Retirement Fund *shall* be twenty seven and forty six hundredths percent (27.46%), except that from June 1, 2011, through September 30, 2011, the government rate of contribution shall be 21.44% of the total salaries of the members from agencies participating in the Fund other than the Guam Power Authority, the A.B. Won Pat International Airport Authority, the Guam Economic Development Authority, the Guam Housing Corporation, the Government of Guam Retirement Fund, the Jose D. Leon Guerrero Commercial Port, the Guam Waterworks Authority, the Guam Visitors Bureau, and the Guam Housing Urban Renewal Authority.”



Public Utilities Commission Special Meeting

June 2, 2011

Testimony – Senator Vicente (ben) Cabrera Pangelinan

Chairman
Committee on Appropriations,
Taxation, Public Debt, Banking,
Insurance, Retirement, and
Land

Vice Chairman
Committee on Education

Member
Committee on Rules,
Federal, Foreign &
Micronesian Affairs and
Human & Natural
Resources

Member
Committee on
Municipal Affairs,
Tourism, Housing, and
Recreation

Member
Committee on the Guam
Military Buildup and
Homeland Security

Member
Committee on Health and
Human Services, Senior
Citizens, Economic
Development, and Election
Reform

Håfa Adai Commissioners,

Once again, the Consolidated Commission on Utilities (CCU) has come before you and provided arguments and excuses for their ill-regard for following Public Law 30-145 (P.L. 30-145) which was passed by my colleagues at *I Liheslaturan Guåhan* and signed into law by *I Maga'låhen Guåhan*. Administrative Law Judge, David Mair (ALJ) initially provided a proposed order to the Commission during the May 16, 2011 PUC Meeting, which stated that the payment of approximately \$18.3 million directly from the 2010 GWA bond proceeds be repaid to the government of Guam. He provided concise, precise, and sound case law and reasoning meriting such a proposed order. Just thirty minutes before that May 16th meeting, the CCU approached ALJ Mair and proposed a new solution, which was to borrow an additional \$20 million to honor its obligation to the government of Guam and the taxpayers of Guam.

Now the CCU and the GWA come before you with more excuses and more time the people of Guam have to wait for the funds that are duly owed to them in accordance with **already existing** P.L. 30-145. A new proposed order is before you, requesting that you hold this matter in abeyance due to an introduced legislative action, that basically assists the CCU and the GWA in negating their subversion and breaking of P.L. 30-145 by not paying the government of Guam what is owed.

I want to make this point loud and clear, **an existing public law should not and cannot be trumped by an introduced bill that has yet to even have a public hearing and the Commission should follow the letter and spirit of P.L. 30-145.**

We are all here before you, after four months of deliberating, and yet the CCU and the GWA continue to act in bad faith. I want to remind you that it was only after the January 31, 2011 PUC Meeting where I provided testimony on behalf of the people of Guam and *I Liheslaturan Guåhan* that P.L. 30-145 was not being adhered to and that both the GWA and the CCU had yet to make any attempts at honoring and following the letter of the law, that any action was planned to be taken by the CCU and the GWA in compliance with P.L. 30-145

At the May 16, 2011 PUC Meeting, the GWA and the CCU initially said they would borrow an additional \$20 million to attempt to cure a problem and predicament they had placed themselves in from the beginning by loosely interpreting the intent of P.L. 30-145. This Commission allowed them two weeks to work with the ALJ and come up with such a solution. Now they are saying that they cannot borrow this additional \$20 million and want you to consider another excuse. I assume the CCU and the GWA have been working with their counterpart in the legislature **since last month, even before the May 16, 2011 PUC Meeting** in drafting this newly introduced Bill 222-31 for consideration.

If the CCU and the GWA have been working with their legislative counterpart even prior to the May 16, 2011 PUC Meeting with this new proposal that is being put before you to hold this matter in abeyance until Bill 222-31 is signed into law, shows that these parties have not only been acting in bad faith with this Commission, but have been wasting the Commission's time, and the people of Guam's time while our *manamko* continue to suffer and wait for their COLA and the taxpayers of Guam continue to wait to get paid their tax refunds.

I believe it is important to indicate that the CCU and the GWA had **no intentions** of borrowing an additional \$20 million of which they should have initially considered before they issued the 2010 Series of Revenue Bonds for the GWA. **This latest attempt to continue to subvert P.L. 30-145 simply because a bill was introduced in the Guam Legislature that has yet to even have a public hearing, is more excuses and more time being wasted.**

I ask the Commission this, if I had introduced a bill that mandates the CCU and the GWA adhere to P.L. 30-145 and places a timeline on such a payment to the government of Guam, would that also be considered by the Commission? Once again, **an existing public law should not and cannot be trumped by an introduced bill that has yet to even have a public hearing and the Commission should follow the letter and spirit of P.L. 30-145.**

I Liheslaturan Guåhan authorized a bond issuance in good faith for the GWA with preconditions that they repay a bond from which the Public Utility Agency of Guam (PUAG) had received proceeds and upgraded its infrastructure. The present-day GWA has reaped the rewards of these infrastructure improvements, yet they failed to honor the letter of the law and acted in bad faith by subverting the intent of P.L. 30-145.

Therefore, I continue to advocate that the PUC determine the CCU and the GWA follow the letter of P.L. 30-145 and pay the General Fund what it is owed directly from the 2010 GWA bond proceeds as it is a "creature of statute" as ALJ Mair had mentioned in his initial ALJ opinion, and must obey the laws set forth by *I Liheslaturan Guåhan*.

Furthermore, due to the nature and priority of the funds necessary to pay to our *manamko* and those taxpayers who are in dire need of their tax refunds, I urge the Commission to approve the initial proposed order as written during the May 16, 2011 PUC Meeting.

Rate Increase Threat by the CCU and the GWA

CCU Chairman Simon Sanchez has continually barked about a potential rate increase that would be required if the CCU and the GWA were to not repay the General Fund directly from bond proceeds and rather seek an additional \$20 million loan/bond to repay its obligation to the General Fund. With this new Bill 222-31, they are still threatening that an increase is necessary. I believe this threat of a rate increase by the CCU is both unfounded and unnecessary. Please allow me to demonstrate the reasons why.

1. FY09 Rate Decision Based on Certain Assumptions and the GCG August 26, 2010 GWA Annual Report and Summary Recommendations

In their GWA Annual Report and Summary Docket 09-03, submitted to the PUC on August 27, 2010, the Georgetown Consulting Group (GCG) initially recommended to the PUC a reduction in the FY09 Rate Decision as follows:

	FY09 Rate Decision	GCG Recommended Rate Adjustment
FY2011	8.00%	4.00%
FY2012	4.90%	4.00%
FY2013	8.00%	4.00%

These adjustments were supported by a thorough analysis by the GCG by comparing the assumptions put forth in the FY09 Rate Decision and the actual events that had transpired since then. GCG based these recommendations based on several factors such as bond borrowing which was assumed to be yielding 8% as opposed to the actual weighted average interest rate of less than 5.5% over the life of the 2010 GWA bond issuance. Furthermore, the GCG also included in their report that the initial assumptions in the FY09 Rate Decision included a bond borrowing that was to have occurred in December 2009 rather, what actually took place was a bond borrowing almost one year later, from which the GWA had almost a year of a overfunding from increased rates.

The fact that the assumptions during the FY09 Rate Decision have not panned out according to plan and that the realities have worked in favor of decreasing the proposed rate increases, the approved rate from the recommended 4% and 6% to the 8% increase for FY2010 has provided ample overfunding from ratepayers, to the GWA and merits no additional increase if an additional \$20 million loan/bond is to be pursued. The GWA should be able to absorb the debt service payments due to this overfunding.

2. Relief from PUC Surcharge After Navy Note Expiration

There is currently a PUC/GPA/Navy Surcharge in the amount of 9.6% of the sum of the Basic Charge and Non-Lifeline Rates on residential, commercial, and governmental customers' water bills. According to the FY2010 Rate Decision submitted to the PUC on September 29, 2010, this PUC/GPA/Navy Surcharge "recovers certain regulatory

expenses and past due obligations to the GPA and Navy.” In accordance with the FY2010 Rate Decision, this rate was to remain on these customers’ water bills even after the GPA liability was paid off, so that the Navy liability would then be paid off *faster*.

As predicted in the FY2010 Rate Decision, the debt service payments made to the GPA had expired in January 2011 and the Navy debt service payments would cease beginning in January 2012. The total amount collected annually from this 9.6% PUC Surcharge is approximately \$4.9 million based on the annualized debt service payment of the Navy liability in the FY2010 Rate Decision ($\$408,377 \times 12 = \$4,900,524$). Clearly there is approximately \$4.9 million, from which any debt service payments for the planned \$20 million loan/bond in order to come in compliance with P.L. 30-145 can be utilized. CCU Chairman Sanchez estimated annual debt service payments of approximately \$2.5 million, \$2.4 million less than the \$4.9 million cash flow that would be available to the GWA after the Navy liability is paid off.

	Navy Note Debt Service	Excess Collections PUC Surcharge
5/31/2011	408,377	-
6/30/2011	408,377	-
7/31/2011	408,377	-
8/31/2011	408,377	-
9/30/2011	408,377	-
10/31/2011	408,377	-
11/30/2011	408,377	-
12/31/2011	100,227	308,150
1/31/2012	-	408,377
2/29/2012	-	408,377
3/31/2012	-	408,377
4/30/2012	-	408,377
5/31/2012	-	408,377
6/30/2012	-	408,377
7/31/2012	-	408,377
8/31/2012	-	408,377
9/30/2012	-	408,377
Total FY2012	916,981	3,983,543

FY2011

FY2012

Due to the Navy liability expiring in the middle of FY2012, according to the chart above, there will be approximately \$3.9 million in excess collections from the PUC Surcharge in

FY2012, well above the \$2.5 million CCU Chairman Sanchez estimated. Furthermore, for FY2013, there would be an approximately \$4.9 million in excess funds collected from the PUC Surcharge if the rate were to remain at 9.6%.

Going forward, even with the debt service payments being made to the \$20 million loan/bond that the GWA is attempting to pursue, there would be excess funds that could be returned to ratepayers and **actually decrease currently existing rates.**

	PUC Surcharge Excess Funds	\$20M Borrowing Debt Service	Difference
FY2012	3,983,543	2,500,000	1,483,543
FY2013	4,900,524	2,500,000	2,400,524

The amounts of \$1.4 million for FY2012 and \$2.4 million for FY2013 going forward can be utilized to decrease the current 9.6% PUC Surcharge to possibly less than 5%.

3. Use of \$1.9M from “Unallocated” Bond Funds for Stipulated Order Projects

During the November 29, 2010 PUC Meeting, GWA Docket 10-04, GWA Petition to Reprogram Use of Bond Funds, Counsel Report and Proposed Order allowed the GWA to use “unallocated” bond funds, that were previously “designed to be used for other projects, but apparently were not necessary or were excess funds,” for stipulated order projects. This approved proposed order occurred after the issuance of the November 2010 bond which included several stipulated order projects. I assume this additional \$1.9 million should decrease the need for bond proceeds in the 2010 GWA bond issue, thus providing relief to the GWA in prevention of further rate increases. I recommend the PUC request clarification on the use of these funds if it has any affect on the need of bond proceeds from the 2010 GWA bond issuance.

4. Statement by the GWA Regarding Additional Issuance of a \$35M Parity Bond that “WILL NOT have an Impact on GWA’s FY2011 Rate Requirements”

According to the Petition of Guam Waterworks Authority for Rate Relief, Docket GWA 09-03 FY 2011 submitted to the PUC on September 13, 2010, the “GWA [was] exploring the possibility that it may issue an additional \$35 million in parity bonds...in conjunction with the \$118.5M issuance in the next few months. [The GWA and the GCG] agree[d] that this additional issuance will not have an impact on the GWA’s FY2011 rate requirements.”

I find it odd that a \$35 million bond issuance in conjunction with the \$118.5 million 2010 GWA bond issuance would not have an impact on rates, whereas a \$20 million loan/bond being discussed in order for the GWA and the CCU come into adherence of P.L. 30-145, has an attached threat of rate increases.

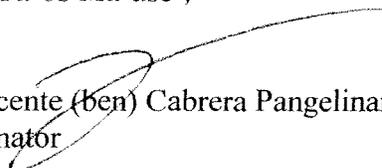
In summary:

- 1. FY09 Rate Decision Based on Certain Assumptions and the GCG August 26, 2010 GWA Annual Report and Summary Recommendations**
- 2. Relief from PUC Surcharge After Navy Note Expiration**
- 3. Use of \$1.9M from “Unallocated” Bond Funds for Stipulated Order Projects**
- 4. Statement by the GWA Regarding Additional Issuance of a \$35M Parity Bond that “WILL NOT have an Impact on GWA’s FY2011 Rate Requirements”**

With these forces actually driving down the residential, commercial, and governmental water rates, if the Commission is still compelled to approve an additional loan/bond borrowing of \$20 million in order for the CCU and the GWA to come into compliance with P.L. 30-145 or decides to choose a bill that has yet to receive a public hearing above an existing law, I recommend you nullify any and all threats made by the CCU and the GWA with regards to the need to increase rates in order to cover the debt service payments, using the arguments I have presented.

Once again, I come before this Commission as a senior Senator of the 31st Guam Legislature, as the Chairman of the Committee on Appropriations, Taxation, Public Debt, Banking, Insurance, Retirement, and Land (Committee), as a concerned citizen, as an advocate to the ratepayers of Guam, and as a ratepayer myself. I appreciate the work and due diligence the PUC has with regard to the rate increases of the agencies under its purview. Such circumspection of any rate increases aim to protect our ratepayers, the people of Guam. I also hope that you deeply consider the testimony I have presented this evening and approve the lawful repayment to the government of Guam from the GWA.

Si Yu`os Ma`ase`,


Vicente (ben) Cabrera Pangelinan
Senator



BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN RE: REQUEST BY THE GUAM WATERWORKS AUTHORITY FOR APPROVAL OF BOND PROJECTS FUNDED BY GWA'S 2010 SERIES BOND PROCEEDS

GWA Docket No. 11-01

ORDER

BACKGROUND

This matter comes before the Guam Public Utilities Commission (the "PUC") pursuant to the January 31, 2011 Supplemental Order issued by the undersigned Commissioners, which requested a legal opinion regarding the following issue: "whether Public Law 30-145 and its mandates should be considered by the PUC prior to approving any future use of bond funds by the Guam Waterworks Authority ["GWA"], and what impact said Public Law has, if any, upon GWA's future use of bond funds."

On April 11, 2011, the Administrative Law Judge of the PUC (the "ALJ") issued an ALJ Report outlining his opinion and recommendations on Public Law 30-145 ("P.L. 30-145"). On April 12, 2011, GWA filed a Request for Opportunity to Respond to the Administrative Law Judge's April 11, 2011 Report Relative to P.L. 30-145. Further, on April 18, 2011, GWA filed a Supplemental Filing to the Administrative Law Judge's April 20, 2011 Report and Request for Reconsideration. On May 4, 2011, the ALJ filed a Supplemental ALJ Report responding to GWA's Supplemental Filing and Request for Reconsideration. On May 31, 2011, the ALJ filed a Status Report.

DETERMINATIONS

On May 17, 2010, P.L. 30-145 was enacted into law and amended Public Law 28-71 (“P.L. 28-71”) as follows: “The Guam Legislature, *I Liheslaturan Guåhan*, pursuant to §50103 of Title 12 of the Guam Code Annotated, hereby approves the issuance and sale by the Authority of revenue bonds pursuant to Article 2, Chapter 14, Title 12, Guam Code Annotated (the ‘Act’) in one or more series of issues; provided that the issuance, terms and conditions of the bonds *shall* have been approved by the Guam Public Utilities Commission, and further provided that such bonds *shall* have a principal amount *not to exceed* Two Hundred Twenty [*sic*] Million Dollars (\$240,000,000), *shall* have a final maturity not later than 2055, *shall* bear interest at such rate or rates and *shall* be sold for such price or prices as *shall* result in a net yield to the bondholders *not exceeding* seven and one-half percent (7.5%) per annum, *shall* be issued and sold in the manner, for the purposes and subject to the requirements and limitations provided in Article 2, Chapter 14, Title 12, Guam Code Annotated, and *shall* be issued pursuant to an Indenture in substantially the form as attached to this Act as Exhibit A.” P.L. 30-145§2 (May 17, 2010) (emphases in original).

In the April 11, 2011 ALJ Report, the ALJ found that P.L. 30-145 was ambiguous in certain respects, particularly that P.L. 30-145 did not indicate when GWA is required to repay the \$20 million. Based on this ambiguity, the ALJ construed P.L. 30-145 in an effort to determine the intent of the Guam Legislature and to best effectuate the purpose of the law. The ALJ consequently found that it did not appear plausible or reasonable that the Guam Legislature intended to permit GWA to sell and issue bonds

totaling \$220 million only, and thereby avoid payment of any amount to the Government of Guam.

Accordingly, the ALJ concluded that the Guam Legislature intended GWA to pay the Government of Guam a proportionate amount of the funds received up to a cap of \$20 million on the total bond amount of \$240 million. The ALJ expressed that this interpretation of P.L. 30-145 applied a fair and reasonable construction to an otherwise ambiguous statute. In addition, the ALJ recommended that GWA pay a proportionate share of one twelfth (1/12) of any amount of the bonds issued and sold by GWA.

In the May 4, 2011 Supplemental ALJ Report, the ALJ found that P.L. 28-71, the predecessor to P.L. 30-145 authorized the issuance of bonds for the amount of \$220,000,000; however, P.L. 28-71 did not contain any reference indicating that any amount of the bond funds would be paid to the Government of Guam. Thereafter, a bond was issued and sold on December 7, 2005 in the principal amount of \$101,175,000.

The ALJ further found that P.L. 30-145, which amended P.L. 28-71, authorized the issuance of bonds for the amount of \$240 million, but required that from that amount “\$20,000,000 principal shall be used to pay the balance of the government of Guam Limited Obligation (Section 30) Series 2001A bond and any other portions of Bonds or Loans paid for by General Fund revenues for which the Guam Waterworks Authority has received proceeds.” The ALJ additionally found that when the Guam Legislature passed P.L. 30-145, the legislators were aware that GWA was authorized to issue bonds for a remaining principal sum of \$138 million, and from that amount, \$20 million was dedicated to the Government of Guam.

Also indicated in the May 4, 2011 Supplemental ALJ Report, the ALJ found that GWA issued bonds totaling \$220,000,000 (\$101,175,000 plus \$118,825,000), and not merely bonds totaling \$118,825,000, as previously indicated in the ALJ's earlier report. Accordingly, in applying a proportionate share of one twelfth (1/12) of the \$220,000,000 amount of the bonds issued and sold by GWA, the ALJ concluded that GWA should pay the Government of Guam the amount of \$18,333,333, and not \$9,800,000, which was the original amount indicated in the ALJ's earlier report.

Thus, based on his findings, the ALJ recommended that the PUC order GWA to pay a portion of its statutory obligation, in particular one twelfth (1/12) of the bond amounts issued and sold by GWA, as authorized under P.L. 28-71 and P.L. 30-145; and, that based on the ALJ's current calculation, GWA should pay the Government of Guam the amount of \$18,333,333.

The Commission hereby adopts the findings made in the April 11, 2011 ALJ Report, the May 4, 2011 Supplemental ALJ Report, the May 31, 2011 Status Report, and, therefore, issues the following.

ORDERING PROVISIONS

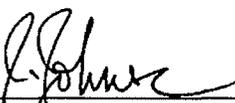
Upon consideration of the record herein, all pleadings filed by GWA in this docket, the April 11, 2011 ALJ Report, the May 4, 2011 Supplemental ALJ Report, the May 31, 2011 Status Report, and for good cause shown, on motion duly made, seconded and carried by the affirmative vote of the undersigned Commissioners, the Commission hereby ORDERS the following:

1. GWA is hereby ordered to pay the Government of Guam the amount of \$18,333,333.

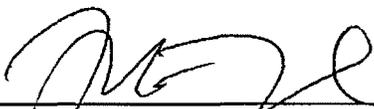
2. GWA is further ordered to pay the PUC's regulatory fees and expenses, including and without limitation, consulting and counsel fees, and the fees and expenses associated with conducting the review and hearing process. Assessment of the PUC's regulatory fees and expenses is authorized pursuant to 12 G.C.A. §§ 12002(b) and 12024(b), and Rule 40 of the Rules of Practice and Procedure before the Public Utilities Commission.

3. In addition, the PUC authorizes the ALJ to investigate and examine GWA's rates to determine whether GWA's rates may need to be increased as a consequence of the above obligation.

SO ORDERED this 2nd of June, 2011.



JEFFREY C. JOHNSON
Chairman



JOSEPH M. MCDONALD
Commissioner



ROWENA E. PEREZ
Commissioner



FILOMENA M. CANTORIA
Commissioner



MICHAEL A. PANGELINAN
Commissioner

Office of



the People

I Mina'trentai Unu Na Liheslaturan Guåhan

Senator Vicente (ben) Cabrera Pangelinan (D)

May 14, 2011

COPY

Benita Manglona
Acting Director, Department of Administration
Director, Bureau of Budget Management and Research
Manuel F.L. Guerrero Building
212 Aspinall Avenue
Hagatna, Guam 96910

Chairman
Committee on Appropriations,
Taxation, Public Debt, Banking,
Insurance, Retirement, and
Land

RE: Supplemental Appropriations Act of 2011 Request for Information

Håfa Adai Ms. Manglona,

Vice Chairman
Committee on Education

The Committee on Appropriation's (Committee) public hearing for Bill 184-31, the *Supplemental Appropriations Act of 2011* as submitted by *I Maga'låhen Guåhan* is fast approaching and will be held on Thursday, May 19, 2011 at *I Liheslaturan Guåhan* Public Hearing Room. Please be advised that the Committee requests certain documentation and information be prepared as to the inquiries that may arise regarding Bill 184-31. Such requests below will be reiterations of previous requests made to the Department of Administration (DOA) and the Bureau of Budget and Management Research (BBMR) in addition to new requests that have arisen due to Bill 184-31. The Committee requests the following:

Member
Committee on Rules,
Federal, Foreign &
Micronesian Affairs and
Human & Natural
Resources

Continuing Appropriations

Member
Committee on
Municipal Affairs,
Tourism, Housing, and
Recreation

As continuing appropriations represent legal authority for the expenditure of government funds and become obligations of the government when used, an accurate recordkeeping of the following is critical to determining authorized funding levels for agencies and departments in any fiscal year. Furthermore, a listing of continuing appropriations is essential to assessing and monitoring the government's deficit. A letter was sent on April 27, 2011 requesting a listing of all the continuing appropriations as of fiscal year 2011.

Member
Committee on the Guam
Military Buildup and
Homeland Security

Government of Guam Retirement Fund

Member
Committee on Health and
Human Services, Senior
Citizens, Economic
Development, and Election
Reform

Bill 184-31 includes approximately \$15,442,267 to be used to offset obligations of the government of Guam to the Government of Guam Retirement Fund (GGRF) to be used for the appropriation toward retirees' medical/dental/life premiums for fiscal year 2011 and other uses. Please provide the Committee with a Memorandum of Understanding or other agreement made between the government of Guam and the GGRF regarding the actual realization of this source of funding.

324 W. Soledad Ave. Suite 100, Hagåtña, Guam 96910

Tel: (671) 473-(4BEN) 4236 - Fax: (671) 473-4238 - Email: senbenp@guam.net

Website: <http://senbenp.com>

Autonomous Agency Collection Fund

Bill 184-31 includes revenue sources from certain autonomous agency(ies) in the amount of \$2.1 million. Please provide the Committee with which autonomous agency(ies) have agreed to pay the \$2.1 million into the Autonomous Agency Collection Fund as presented in Bill 184-31, the invoices sent to the autonomous agency(ies) that will be paying, and the Board Resolution of the autonomous agency(ies) that will be providing the funding for said fund.

Reimbursements from the United States Internal Revenue Service in Fiscal Year 2011

Please provide any treasury warrants for the \$5.2 million funding source presented in Bill 184-31. If the cash is yet to be deposited then please provide documentation that conveys the IRS agreement to pay Guam \$5.2 million. In addition, \$2 million of American Opportunity Credit revenues are already factored into current revenue collection estimates for FY 2011 based on the Department of Revenue and Taxation provision estimates. If these are new unexpected revenues above the \$2 million already projected then please provide a system generated report validating the increase.

Results of Executive Order No. 2011-01

In accordance with Executive Order No. 2011-01, the government of Guam department and agency heads were directed to develop and recommend cost reduction, cost containment, operational efficiency, and revenue enhancement measures due to the financial stresses placed on the government. Please submit a detailed written report on the actual savings to date and projected savings for the remainder of the fiscal year to the government of Guam from the actual implementation of such measures. In order for the Committee to conduct its due diligence, it is imperative that such a written detailed report be provided.

Full Accounting of Prior Year Obligations

It has been repeatedly mentioned that current year revenues have been used to offset prior year obligations. Please provide the Committee a full accounting and detailed breakdown of prior year obligations paid with General Fund revenue collections for fiscal year 2011.

Status of Bank Fee Request for Proposal

The *Annual Appropriations Act of 2011* directed the DOA to contract with a third party provider whereby collections of non-cash payments received are processed. The Committee understands a Request for Proposal has been initiated and requests that you provide an update on the status of said RFP.

Letter to Ms. Benita Manglona
May 14, 2011
Page 3

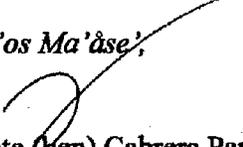
Response from USDOE regarding the ARRA Maintenance of Effort Requirement

At the public hearing on Bill 131-31, there was discussion regarding the Maintenance of Effort (MOE) requirement with regards to the ARRA funds of which the Guam Department of Education was appropriated. Please provide the Committee an update on the response from the United States Department of Education with regards to the MOE of ARRA funds being achieved by an appropriation rather than actual expenditure as was specified during said public hearing.

Cash Status of Semi-Autonomous Agencies

For the semi-autonomous agencies to include the Mayor's Council of Guam, the Unified Judiciary, the University of Guam, the Guam Community College, the Guam Department of Education, the Guam Legislature, and the Public Defender Service Corporation, please provide a comparison of allotment releases to cash remittance and cash owed to these agencies and an aging of the accounts payables as of April 30, 2011 for each agency.

Si Yu'os Ma'ase'


Vicente (Ben) Cabrera Pangelinan
Senator

cc: Governor of Guam
All Senators
Frank Arriola, Chief of Staff, Office of the Governor
John Camacho, Director, Department of Revenue and Taxation

GUAM LEGISLATURE REPRODUCTION/MAIL ROOM
DATE: <u>5/14/11</u>
TIME: <u>9:35</u> AM [] PM
RECEIVED BY: <u>[Signature]</u>

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NOTED
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2011 MAY 16 AM 9:54

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DIRECTOR'S OFFICE





I Mina'trentai Unu Na Liheslaturan Guahan

Senator Vicente (ben) Cabrera Pangelinan (D)

May 20, 2011

Benita Manglona
Director, Bureau of Budget and Management Research
Ricardo J. Bordallo Governor's Complex
Hagåtña, Guam 96910

Chairman
Committee on Appropriations,
Taxation, Public Debt, Banking,
Insurance, Retirement, and
Land

RE: Bill 184-31 Public Hearing Follow-Up

Håfa Adai Ms. Manglona,

Vice Chairman
Committee on Education

Si Yu'os Ma'åse' for your attendance at the Public Hearing for Bills 184-31. In order for the transparency, accountability, dialogue, and communication with the Committee on Appropriations (Committee) to continue past May 19, 2011, I request your cooperation with regards to providing the action items you testified that the Department of Administration and the Bureau of Budget and Management Research (BBMR) will provide at the times specified you will provide them and additional items of interest to the Committee. Below are the requests in detail to which you had agreed to provide and that the Committee are of interest in receiving:

Member
Committee on Rules,
Federal, Foreign &
Micronesian Affairs and
Human & Natural
Resources

1. **By Monday, May 23, 2011**, please provide the Committee with the actions the administration will take if Section 3 of Bill 184-31, which outlines the main funding source underlying the bill to include approximately \$15 million from the Government of Guam Retirement Fund, is omitted and is not available to be appropriated.
2. **By Wednesday, May 25, 2011**, please provide the Committee a monthly comparative revenues and expenditures report on a cash basis with a reconciliation to the modified accrual basis (the method currently being used to provide such reports) for each month ending in FY2011 through April 30, 2011. Since discussion has been framed in a cash basis, going forward, such a reconciliation between the modified accrual basis monthly report and a separately provided cash basis report and a reconciliation is necessary for decision making purposes.
3. **By Wednesday, May 25, 2011**, please provide an explanation for the inconsistencies with regards to the requested decrease in base salaries in Bill 184-31 and the disproportionate decrease in benefits. As an example discussed during the public hearing, the Guam Police Department, the Department of Corrections, and the Guam Fire Department salaries were decreased at a rate lower than what was decreased in benefits.

Member
Committee on
Municipal Affairs,
Tourism, Housing, and
Recreation

Member
Committee on the Guam
Military Buildup and
Homeland Security

Member
Committee on Health and
Human Services, Senior
Citizens, Economic
Development, and Election
Reform

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Letter to Mrs. Benita Manglona

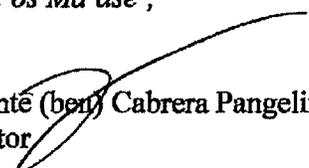
May 20, 2011

Page 2

4. **By Wednesday, May 25, 2011**, please provide a detailed projection of the utility bank increase, by agency for the remainder of FY2011.

It is imperative that these deadlines be adhered to in order for Bill 184-31 to be considered in the next legislative session. I look forward to your prompt response.

Si Yu'os Ma'ase',


Vicente (ben) Cabrera Pangelinan
Senator

cc: Members of the Committee on Appropriations, Taxation, Public Debt, Banking, Insurance, Retirement, and Land

Office of



the People

I Mina'trentai Unu Na Liheslaturan Guahan

Senator Vicente (ben) Cabrera Pangelinan (D)

May 23, 2011

Wilfred Aflague
Director
Department of Mental Health and Substance Abuse
790 Gov. Carlos G. Camacho Road
Tamuning GU 96913

COPY

Chairman
Committee on Appropriations,
Taxation, Public Debt, Banking,
Insurance, Retirement, and
Land

Vice Chairman
Committee on Education

Member
Committee on Rules,
Federal, Foreign &
Micronesia Affairs and
Human & Natural
Resources

Member
Committee on
Municipal Affairs,
Tourism, Housing, and
Recreation

Member
Committee on the Guam
Military Buildup and
Homeland Security

Member
Committee on Health and
Human Services, Senior
Citizens, Economic
Development, and Election
Reform

Re: Supplemental Budget Details, FY 2011 (Bill 184-31)

Hafa Adai, Mr. Aflague,

The Committee on Appropriations requires your assistance with providing additional information to support the requested increase in funding for the Department of Mental Health and Substance Abuse in Governor Calvo's supplemental budget request for FY 2011 (Bill 184-31).

Once again, the Legislature has not been provided the details of the additional funding requested. Please provide an itemized list of all contracts for which funding will be provided at the *increased* cost of **\$1,585,618** for Contractual Services, Object Class 230, in the Governor's supplemental budget request.

We ask for your full cooperation and expediency in responding with these details on or before **Thursday, May 26, 2011**.

The Committee intends to have the Governor's supplemental budget ready to be addressed by the legislature as soon as possible.

If you have any questions or concerns, please call Selina Onedera-Salas at 473-4236/7.

Si Yu'os Ma'ase',

Vicente (ben) Cabrera Pangelinan
Senator

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TIME: 1:45p DATE: 5/23/11

Cc: Governor Edward J.B. Calvo
Benita Manglona, Director - BBMR
All Senators
All Media

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Website: http://senbenp.com

Office of



I Mina'trentai Unu Na Liheslaturan Guahan

Senator Vicente (ben) Cabrera Pangelinan (D)

May 23, 2011

COPY

Chairman
Committee on Appropriations,
Taxation, Public Debt, Banking,
Insurance, Retirement, and
Land

Jose A. San Agustin
Director
Department of Corrections
Suite 502, DNA Building
238 Archbishop Flores Street
Hagåtña GU 96910

OFFICE OF THE GOVERNOR
CENTRAL FILES

RECEIVED BY: [Signature]
DATE: 5/23/11
TIME: 1:05 p

Re: Supplemental Budget Details, FY 2011 (Bill 184-31)

Vice Chairman
Committee on Education

Håfa Adai, Mr. San Agustin,

Member
Committee on Rules,
Federal, Foreign &
Micronesian Affairs and
Human & Natural
Resources

The Committee on Appropriations requires your assistance with providing additional information to support the requested increase in funding for the Department of Corrections in Governor Calvo's supplemental budget request for FY 2011 (Bill 184-31).

Member
Committee on
Municipal Affairs,
Tourism, Housing, and
Recreation

Please provide the total of all prior year obligations the department has accumulated in *overtime* expenses. In addition, please provide details of any anticipated outstanding obligations for overtime that will occur for FY11 and your plan of action to remain within the budget authority.

We ask for your full cooperation and expediency in responding with these details on or before **Thursday, May 26, 2011.**

Member
Committee on the Guam
Military Buildup and
Homeland Security

The Committee intends to have the Governor's supplemental budget ready to be addressed by the legislature as soon as possible.

If you have any questions or concerns, please call Selina Onedera-Salas at 473-4236/77.

Member
Committee on Health and
Human Services, Senior
Citizens, Economic
Development, and Election
Reform

Si Yu'os Ma'åse',

Vicente (ben) Cabrera Pangelinan
Senator



Cc: Governor Edward J.B. Calvo
Benita Manglona, Director - BBMR
All Senators
All Media

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473-(4BEN) 4236 - Fax: (671) 473-4238 - Email: senbenp@guam.net
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I Mina'trentai Unu Na Liheslaturan Guåhan

Senator Vicente (ben) Cabrera Pangelinan (D)

May 23, 2011

COPY

Joanne M.S. Brown
Director
Department of Public Works
542 North Marine Corps Drive
Tamuning GU 96913

Chairman
Committee on Appropriations,
Taxation, Public Debt, Banking,
Insurance, Retirement, and
Land

Re: Supplemental Budget Details, FY 2011 (Bill 184-31)

Håfa Adai, Ms. Brown,

Vice Chairman
Committee on Education

The Committee on Appropriations is requires your assistance with providing additional information to support the requested increase in funding for the Department of Public Works in Governor Calvo's supplemental budget request for FY 2011 (Bill 184-31).

Member
Committee on Rules,
Federal, Foreign &
Micronesian Affairs and
Human & Natural
Resources

Please reply with a list of the types of supplies and materials that are to be purchased with the additional \$345,892 that was requested in the bill.

Member
Committee on
Municipal Affairs,
Tourism, Housing, and
Recreation

We ask for your full cooperation and expediency in responding with these details on or before **Thursday, May 26, 2011**.

The Committee intends to have the Governor's supplemental budget ready to be addressed by the legislature as soon as possible.

Member
Committee on the Guam
Military Buildup and
Homeland Security

If you have any questions or concerns, please call Selina Onedera-Salas at 473-4236/7.

Si Yu'os Ma'åse',

Vicente (ben) Cabrera Pangelinan
Senator



Member
Committee on Health and
Human Services, Senior
Citizens, Economic
Development, and Election
Reform

Cc: Governor Edward J.B. Calvo
Benita Manglona, Director - BBMR
All Senators
All Media

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Senator Vicente (ben) Cabrera Pangelinan (D)

May 23, 2011

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Chairman
Committee on Appropriations,
Taxation, Public Debt, Banking,
Insurance, Retirement, and
Land

Fred Bordallo
Chief of Police
Guam Police Department
233 Central Avenue
Tiyan GU 96913

Re: Supplemental Budget Details, FY 2011 (Bill 184-31)

Vice Chairman
Committee on Education

Håfa Adai, Chief Bordallo,

The Committee on Appropriations requires your assistance with providing additional information to support the requested increase in funding for the Guam Police Department in Governor Calvo's supplemental budget request for FY 2011 (Bill 184-31).

Member
Committee on Rules,
Federal, Foreign &
Micronesian Affairs and
Human & Natural
Resources

Please provide the total of all prior year obligations the department has accumulated in *overtime* expenses. In addition, please provide details of any anticipated outstanding obligations for overtime that will occur for FY11 and your plan of action to remain within the budget authority.

Member
Committee on
Municipal Affairs,
Tourism, Housing, and
Recreation

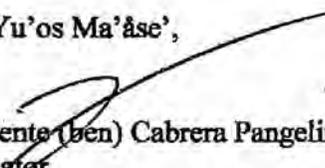
We ask for your full cooperation and expediency in responding with these details on or before **Thursday, May 26, 2011**.

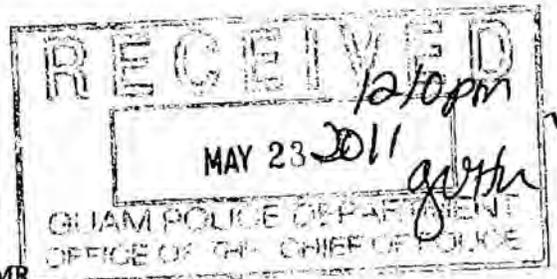
The Committee intends to have the Governor's supplemental budget ready to be addressed by the legislature as soon as possible.

Member
Committee on the Guam
Military Buildup and
Homeland Security

If you have any questions or concerns, please call Selina Onedera-Salas at 473-4236/7.

Si Yu'os Ma'åse',

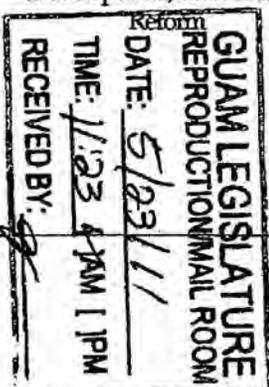

Vicente (ben) Cabrera Pangelinan
Senator



Cc: Governor Edward J.B. Calvo
Benita Manglona, Director - BBMR
All Senators
All Media

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TIME: 1:05 PM DATE: 5/23/11



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Tel: (671) 473-(4BEN) 4236 - Fax: (671) 473-4238 - Email: senbenp@guam.net

Website: <http://senbenp.com>



Selina Onedera-Salas <sonedera-salas@guamlegislature.org>

Supplemental budget for DPW (240)

6 messages

Selina Onedera-Salas <sonedera-salas@guamlegislature.org>

Mon, May 23, 2011 at 10:10 AM

To: arleen.pierce@dpw.guam.gov

Håfa Adei, Arleen,

In reviewing the supplemental budget for DPW (per the governor's submittal of Bill 184-31), can you please forward a detailed list of the supplies and materials for which there was a request to increase appropriation levels by about \$346k (in Object Class 240) for FY11?

Please let me know if you have any questions or concerns.

Thank you,
Selina

Selina Onedera-Salas
Office of Finance and Budget • Office of Senator ben pangelinan
Ph. 473-4236/7 • Fax. 473-4238
sonedera-salas@guamlegislature.org

Arleen Pierce <arleen.pierce@dpw.guam.gov>

Mon, May 23, 2011 at 10:51 AM

To: Selina Onedera-Salas <sonedera-salas@guamlegislature.org>

Cc: Carl Dominguez <carl.dominguez@dpw.guam.gov>, Franklin Taitano <franklin.taitano@dpw.guam.gov>, Julie Manglona <julie.manglona@dpw.guam.gov>

Hi, Selina.

The request for a FY2011 supplemental budget for supplies and materials (object class 240) is for **fuel costs** for DPW's Bus Operation Division as it relates to our school bus transportation fleet. If you need additional information, you can contact me at 646-3154 or by email.

Thank you.

aup

[Quoted text hidden]

Arleen Unpingco Pierce
Controller, Dept of Public Works
542 N. Marine Drive
Tamuning, Guam 96913
Tel (671) 646-3154 Fax (671) 646-3233
arleen.pierce@dpw.guam.gov
arleenunpingcopierce@yahoo.com

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DEPARTMENT OF CORRECTIONS
OT/ND/HAZ PAY RECORDS
FOR FY2010 PENDING COMPENSATION

Received by OFB: 05/27/2011, 11:03 AM

No.	ACCRUED HOURS			Employee		AMOUNT DUE PER OBJECT		
	OT	ND	HAZ	Rates		CATEGORY		
				Reg	Dif	OT	ND	HAZ
1	114.50	28.50	62.00	16.55	2.48	2,842.46	70.75	153.92
2	6.50	0.00	6.50	11.82	1.77	115.25	0.00	11.52
DIRECTOR'S OFFICE TOTAL						2,842.46	70.75	153.92
3	9.50	0.00	9.50	16.55	2.48	235.84	0.00	23.58
4	61.50	3.50	61.50	22.08	3.31	2,036.88	11.59	203.69
5	56.50	2.50	56.50	22.08	3.31	1,871.28	8.28	187.13
6	43.50	1.00	43.50	18.49	2.77	1,206.47	2.77	120.65
7	299.50	101.50	299.50	21.34	3.20	9,587.00	324.90	958.70
8	57.50	9.00	57.50	19.20	2.88	1,656.00	25.92	165.60
9	52.50	5.00	52.50	18.49	2.77	1,456.09	13.87	145.61
PSD TOTAL:						18,049.55	387.33	1,804.96
10	217.50	134.50	217.50	24.41	3.66	7,963.76	492.47	796.38
11	226.50	90.00	234.50	20.52	3.08	6,971.67	277.02	721.79
12	612.00	461.50	634.00	17.89	2.68	16,423.02	1,238.44	1,701.34
13	507.50	306.00	508.00	18.52	2.78	14,098.35	850.07	1,411.22
14	243.00	150.50	253.00	23.75	3.56	8,656.88	536.16	901.31
15	187.00	0.00	187.00	21.27	3.19	5,966.24	0.00	596.62
16	159.50	98.50	162.00	12.86	1.93	3,076.76	190.01	312.50
17	104.00	44.50	104.00	14.40	2.16	2,246.40	96.12	224.64
18	213.00	63.50	227.50	24.48	3.67	7,821.36	233.17	835.38
19	611.00	219.00	632.50	13.68	2.05	12,537.72	449.39	1,297.89
20	240.00	73.00	215.00	18.52	2.78	6,667.20	202.79	597.27
21	46.00	1.50	46.00	16.71	2.51	1,152.99	3.76	115.30
22	275.00	116.00	275.00	16.71	2.51	6,892.88	290.75	689.29
23	141.00	81.50	141.00	11.52	1.73	2,436.48	140.83	243.65
24	416.50	165.50	416.50	19.16	2.87	11,970.21	475.65	1,197.02
25	202.00	50.50	202.00	15.56	2.33	4,714.68	117.87	471.47
26	49.50	23.50	49.50	20.53	3.08	1,524.35	72.37	152.44
27	166.50	73.00	167.00	11.52	1.73	2,877.12	126.14	288.58
28	162.00	94.00	170.50	11.52	1.73	2,799.36	162.43	294.62
29	354.50	342.50	354.50	21.25	3.19	11,299.69	1,091.72	1,129.97
30	262.50	177.00	262.50	14.40	2.16	5,670.00	382.32	567.00
31	7.00	0.00	7.00	21.98	3.30	230.79	0.00	23.08
32	476.00	361.50	530.00	21.24	1.74	15,165.36	629.01	922.20
33	481.00	368.50	484.50	14.92	2.24	10,764.78	824.70	1,084.31
34	505.00	240.50	513.50	20.52	3.08	15,543.90	740.26	1,580.55
35	383.00	143.50	393.50	20.52	3.08	11,788.74	441.69	1,211.19
36	279.00	6.00	296.00	26.34	3.95	11,023.29	23.71	1,169.50
37	206.50	0.00	213.50	25.26	3.79	7,824.29	0.00	808.95
38	59.00	19.50	59.00	24.37	3.66	2,156.75	71.28	215.67
39	319.00	0.00	319.00	14.40	2.16	6,890.40	0.00	689.04
40	261.50	95.50	261.50	14.98	2.25	5,875.91	214.59	587.59
41	277.00	58.50	335.00	23.58	3.54	9,797.49	206.91	1,184.90
42	138.50	6.50	134.50	25.45	3.82	5,287.24	24.81	513.45
43	312.50	34.50	312.50	19.16	2.87	8,981.25	99.15	898.13
44	296.00	194.50	313.00	23.55	3.53	10,456.20	687.07	1,105.67
45	354.00	20.50	374.50	21.98	3.30	11,671.38	67.59	1,234.73
46	159.50	56.00	170.00	11.52	1.73	2,756.16	96.77	293.76
47	116.50	17.50	116.50	27.26	4.09	4,763.69	71.56	476.37
48	31.00	0.00	31.00	14.89	2.23	692.39	0.00	69.24
49	200.00	76.50	200.00	20.52	3.08	6,156.00	235.47	615.60
50	392.50	143.00	393.50	16.71	2.51	9,838.01	358.43	986.31
51	336.00	109.50	353.00	21.53	3.23	10,851.12	353.63	1,140.01
52	27.00	0.00	27.00	22.75	3.41	921.38	0.00	92.14
53	22.00	15.00	22.00	23.66	3.55	780.78	53.24	78.08
54	341.50	58.00	341.50	17.89	2.68	9,164.15	155.64	916.42
55	174.00	2.00	166.50	22.78	3.42	5,945.58	6.83	568.93
56	166.00	77.00	167.50	11.52	1.73	2,868.48	133.06	289.44
57	51.50	14.00	51.50	25.26	3.79	1,951.34	53.05	195.13
58	205.00	140.50	205.00	21.25	3.19	6,534.38	447.84	653.44
59	225.00	130.00	225.00	21.98	3.30	7,418.25	428.61	741.83
60	243.00	22.50	252.00	26.23	3.93	9,560.84	88.53	991.49
61	38.00	10.00	38.00	21.25	3.19	1,211.25	31.88	121.13

DEPARTMENT OF CORRECTIONS
OT/ND/HAZ PAY RECORDS
FOR FY2010 PENDING COMPENSATION

Received by OFB: 05/27/2011, 11:03 AM

No.	ACCRUED HOURS			Employee		AMOUNT DUE PER OBJECT		
	OT	ND	HAZ	Rates		CATEGORY		
				Reg	Dif	OT	ND	HAZ
62	135.50	78.00	135.50	14.40	2.16	2,926.80	168.48	292.68
63	172.00	0.00	172.00	17.89	2.68	4,615.62	0.00	461.56
64	193.50	91.00	200.00	24.48	3.67	7,105.32	334.15	734.40
65	159.50	77.00	175.50	25.34	3.80	6,062.60	292.68	667.08
66	483.00	62.50	512.50	14.98	2.25	10,853.01	140.44	1,151.59
67	481.00	59.50	519.50	21.99	3.30	15,865.79	196.26	1,713.57
68	411.00	181.00	462.50	21.25	3.19	13,100.63	576.94	1,474.22
69	491.00	229.50	500.00	20.52	3.08	15,112.98	706.40	1,539.00
70	437.00	163.50	463.50	14.98	2.25	9,819.39	367.38	1,041.48
71	313.50	173.00	313.50	14.98	2.25	7,044.35	388.73	704.43
72	150.00	65.00	150.00	11.52	1.73	2,592.00	112.32	259.20
73	275.00	79.50	275.00	23.58	3.54	9,726.75	281.19	972.68
74	194.00	59.00	194.00	23.55	3.53	6,853.05	208.42	685.31
75	471.50	344.50	471.50	16.71	2.51	11,818.15	863.49	1,181.81
76	297.00	0.00	297.00	20.52	3.08	9,141.66	0.00	914.17
77	294.00	108.50	294.00	21.25	3.19	9,371.25	345.84	937.13
78	221.50	16.00	221.50	25.26	3.79	8,392.64	60.62	839.26
79	481.00	235.50	481.00	21.99	3.30	15,865.79	776.80	1,586.58
80	154.00	57.50	168.50	22.78	3.42	5,262.18	196.48	575.76
81	256.50	80.00	256.50	17.89	2.68	6,883.18	214.68	688.32
82	268.50	20.00	268.50	16.13	2.42	6,496.36	48.39	649.64
83	247.00	142.00	247.00	17.29	2.59	6,405.95	368.28	640.59
84	135.50	54.50	135.50	16.13	2.42	3,278.42	131.86	327.84
85	541.50	340.50	541.50	17.89	2.68	14,531.15	913.73	1,453.12
86	82.50	15.00	82.50	16.13	2.42	1,996.09	36.29	199.61
87	593.00	233.50	630.50	15.56	2.33	13,840.62	544.99	1,471.59
88	164.00	90.50	168.00	11.52	1.73	2,833.92	156.38	290.30
89	259.00	151.50	259.00	18.52	2.78	7,195.02	420.87	719.50
90	305.00	202.50	305.00	14.40	2.16	6,588.00	437.40	658.80
91	180.50	112.50	180.50	22.75	3.41	6,159.56	383.91	615.96
92	452.00	277.50	456.00	17.89	2.68	12,129.42	744.67	1,223.68
93	354.00	122.00	354.00	16.13	2.42	8,565.03	295.18	856.50
94	242.50	78.00	242.50	17.29	2.59	6,289.24	202.29	628.92
95	59.00	6.00	59.00	21.25	3.19	1,880.63	19.13	188.06
96	242.50	133.00	243.50	14.40	2.16	5,238.00	287.28	525.96
97	252.50	77.50	254.00	14.40	2.16	5,454.00	167.40	548.64
98	107.00	34.00	107.00	22.78	3.42	3,656.19	116.18	365.62
99	144.50	27.50	144.50	19.16	2.87	4,152.93	79.04	415.29
100	308.00	51.00	308.00	16.13	2.42	7,452.06	123.39	745.21
101	275.50	87.50	172.50	14.40	2.16	5,950.80	189.00	372.60
102	84.50	44.50	84.50	11.52	1.73	1,460.16	76.90	146.02
103	229.00	62.50	229.00	14.98	2.25	5,145.63	140.44	514.56
104	74.50	61.00	74.50	16.71	2.51	1,867.34	152.90	186.73
105	485.00	264.00	485.00	16.71	2.51	12,156.53	661.72	1,215.65
106	190.00	116.00	190.00	14.40	2.16	4,104.00	250.56	410.40
107	346.50	223.00	347.00	16.13	2.42	8,383.57	539.55	839.57
108	323.50	181.50	323.50	14.40	2.16	6,987.60	392.04	698.76
109	111.50	58.50	120.00	23.66	3.55	3,957.14	207.62	425.88
110	143.00	105.00	144.00	15.56	2.33	3,337.62	245.07	336.10
111	96.50	1.50	96.50	16.13	2.42	2,334.82	3.63	233.48
112	352.50	41.00	353.00	14.98	2.25	7,920.68	92.13	793.19
113	2.00	0.00	2.00	19.84	2.98	59.52	0.00	5.95
114	91.00	9.50	91.00	21.98	3.30	3,000.27	31.32	300.03
115	288.50	103.50	288.50	20.52	3.08	8,880.03	318.57	888.00
116	408.00	150.50	408.00	21.25	3.19	13,005.00	479.72	1,300.50
117	267.00	165.00	267.00	14.40	2.16	5,767.20	356.40	576.72
118	556.00	219.50	558.00	17.89	2.68	14,920.26	589.03	1,497.39
119	214.00	45.50	214.00	18.52	2.78	5,944.92	126.40	594.49
120	60.00	0.50	60.00	13.68	2.05	1,231.20	1.03	123.12
121	168.00	70.50	172.00	11.52	1.73	2,903.04	121.82	297.22
122	134.00	52.00	137.00	11.52	1.73	2,315.52	89.86	236.74
123	330.50	209.50	330.50	14.40	2.16	7,138.80	452.52	713.88
124	168.00	93.00	204.50	21.24	3.19	5,352.48	296.30	651.54

DEPARTMENT OF CORRECTIONS
OT/ND/HAZ PAY RECORDS
FOR FY2010 PENDING COMPENSATION

Received by OFB: 05/27/2011, 11:03 AM

No.	ACCRUED HOURS			Employee		AMOUNT DUE PER OBJECT			
	OT	ND	HAZ	Rates		CATEGORY			
				Reg	Dif	OT	ND	HAZ	
125	220.00	150.00	221.00	14.40	2.16	4,752.00	324.00	477.36	
126	156.50	60.00	156.50	11.52	1.73	2,704.32	103.68	270.43	
127	489.50	279.00	491.50	13.68	2.05	10,044.54	572.51	1,008.56	
128	297.50	90.50	297.50	14.40	2.16	6,426.00	195.48	642.60	
129	254.00	149.50	254.00	16.71	2.51	6,366.51	374.72	636.65	
130	391.50	271.50	391.50	21.99	3.30	12,913.63	895.54	1,291.36	
131	530.00	145.50	788.50	22.75	3.41	18,086.25	496.52	2,690.76	
132	320.50	216.00	335.00	14.40	2.16	6,922.80	466.56	723.60	
133	96.00	66.00	163.00	11.52	1.73	1,658.88	114.05	281.66	
134	6.00	0.50	6.00	10.55	1.58	94.95	0.79	9.50	
135	448.00	32.00	473.00	22.75	3.41	15,288.00	109.20	1,614.11	
136	190.00	45.50	96.50	17.12	2.57	4,879.20	116.84	247.81	
137	162.00	91.00	166.00	11.52	1.73	2,799.36	157.25	286.85	
138	0.00	76.00	437.00	14.40	2.16	0.00	164.16	943.92	
139	269.50	143.00	269.50	13.68	2.05	5,530.14	293.44	553.01	
140	164.50	92.00	172.50	11.52	1.73	2,842.56	158.98	298.08	
141	376.50	245.50	376.50	14.40	2.16	8,132.40	530.28	813.24	
142	298.00	97.50	298.00	14.40	2.16	6,436.80	210.60	643.68	
143	339.00	27.50	339.00	17.89	2.68	9,097.07	73.80	909.71	
144	519.00	300.00	519.00	13.68	2.05	10,649.88	615.60	1,064.99	
145	132.50	68.50	132.50	11.52	1.73	2,289.60	118.37	228.96	
146	414.00	47.00	428.00	14.40	2.16	8,942.40	101.52	924.48	
147	283.00	91.00	285.00	20.52	3.08	8,710.74	280.10	877.23	
148	114.50	72.00	114.50	12.96	1.94	2,225.88	139.97	222.59	
149	83.50	14.50	57.50	17.89	2.68	2,240.72	38.91	154.30	
150	451.50	85.00	451.50	16.13	2.42	10,924.04	205.66	1,092.40	
151	322.00	87.00	322.00	14.98	2.25	7,235.34	195.49	723.53	
152	208.50	207.00	294.50	20.52	3.08	6,417.63	637.15	906.47	
153	250.00	112.50	251.00	14.40	2.16	5,400.00	243.00	542.16	
154	460.50	277.00	468.50	16.71	2.51	11,542.43	694.30	1,174.30	
155	161.00	91.50	166.50	11.52	1.73	2,782.08	158.11	287.71	
156	338.50	79.50	338.50	14.40	2.16	7,311.60	171.72	731.16	
157	379.00	225.50	379.00	17.89	2.68	10,170.47	605.13	1,017.05	
158	122.00	44.50	125.00	11.52	1.73	2,108.16	76.90	216.00	
159	461.50	270.50	461.50	14.40	2.16	9,968.40	584.28	996.84	
ACF TOTAL:									
	38,599.00	16,233.00	39,896.50			1,029,213.20	41,721.82	105,810.57	
160	404.00	282.00	445.00	17.89	2.68	10,841.34	756.75	1,194.16	
161	182.00	99.50	182.00	13.68	2.05	3,734.64	204.17	373.46	
162	464.00	273.00	491.50	17.89	2.68	12,451.44	732.60	1,318.94	
163	70.50	50.50	70.50	17.89	2.68	1,891.87	135.52	189.19	
164	157.50	49.00	157.50	17.89	2.68	4,226.51	131.49	422.65	
165	502.00	198.50	583.50	18.52	2.78	13,945.56	551.43	1,620.96	
166	169.00	77.50	177.50	11.52	1.73	2,920.32	133.92	306.72	
167	354.50	117.00	354.50	16.71	2.51	8,885.54	293.26	888.55	
168	544.00	273.50	554.00	17.29	2.59	14,108.64	709.32	1,436.80	
169	465.00	207.00	465.00	18.52	2.78	12,917.70	575.05	1,291.77	
170	480.00	289.00	480.00	19.16	2.87	13,795.20	830.59	1,379.52	
171	400.50	251.00	402.50	21.99	3.30	13,210.49	827.92	1,327.65	
172	342.50	43.50	342.50	17.89	2.68	9,190.99	116.73	919.10	
173	216.50	47.50	219.50	20.52	3.08	6,663.87	146.21	675.62	
174	128.00	105.00	128.00	21.98	3.30	4,220.16	346.19	422.02	
175	544.50	370.00	569.00	19.84	2.98	16,204.32	1,101.12	1,693.34	
176	289.50	147.00	290.00	21.25	3.19	9,227.81	468.56	924.38	
177	286.00	108.00	286.00	16.13	2.42	6,919.77	261.31	691.98	
178	281.00	157.50	296.00	17.29	2.59	7,287.74	408.48	767.68	
179	266.50	137.50	266.50	17.89	2.68	7,151.53	368.98	715.15	
180	161.50	93.00	166.00	11.52	1.73	2,790.72	160.70	286.85	
181	425.50	27.00	425.50	17.89	2.68	11,418.29	72.45	1,141.83	
182	324.00	58.00	313.00	19.16	2.87	9,311.76	166.69	899.56	
183	266.00	23.50	266.00	14.98	2.25	5,977.02	52.80	597.70	
184	446.50	318.00	451.00	15.56	2.33	10,421.31	742.21	1,052.63	
185	167.00	125.50	157.50	15.56	2.33	3,897.78	292.92	367.61	
186	196.00	45.00	196.00	14.98	2.25	4,404.12	101.12	440.41	

Received by OFB: 05/27/2011, 11:03 AM

No.	ACCRUED HOURS			Employee Rates		AMOUNT DUE PER OBJECT		
	OT	ND	HAZ	Reg	Dif	CATEGORY		
						OT	ND	HAZ
187	168.50	99.00	185.50	18.52	2.78	4,680.93	275.02	515.32
188	340.00	47.00	340.00	14.40	2.18	7,344.00	101.52	734.40
189	225.50	58.50	225.50	14.98	2.25	5,066.99	131.45	506.70
190	131.50	50.00	131.50	11.52	1.73	2,272.32	86.40	227.23
191	159.00	84.00	159.00	18.52	2.78	4,417.02	233.35	441.70
192	420.00	50.00	440.00	16.13	2.42	10,161.90	120.98	1,064.58
193	161.50	97.00	165.00	11.52	1.73	2,790.72	167.62	285.12
GDF TOTAL:		10,140.00	4,459.00	10,382.50		264,750.32	11,804.82	27,121.28

				GRAND TOTAL		
GRAND TOTAL	49,441	20,843	50,927	1,314,855.53	53,984.73	134,890.72

UPDATED AS OF MAY 19, 2011

OVERTIME	N/D	HAZ.
DIRECTOR'S OFFICE		
7,635.96	340.71	768.96
ADULT CORRECTIONAL FACILITY		
1,090,216.18	62,841.42	161,803.23
GUAM DETENTION FACILITY		
279,464.40	17,985.79	41,752.88
PAROLE SERVICES DIVISION		
19,756.66	515.17	2,753.03
GRAND TOTAL:		
1,397,073.20	81,683.09	207,078.09
1,685,834.38		

OVERTIME	NIGHT DIFF	HAZARDOUS
DIRECTOR'S OFFICE		
2,842.46	70.76	163.92
ADULT CORRECTIONAL FACILITY		
1,029,213.20	41,721.82	105,810.57
GUAM DETENTION FACILITY		
264,750.32	11,804.82	27,121.28
PAROLE SERVICES DIVISION		
18,049.55	387.33	1,804.96
GRAND TOTAL:		
1,314,855.53	53,984.73	134,890.72
1,503,730.98		

Payment were made to those employees who have retired, resigned, passed away or requested for assistance due to financial hardship.

DEPARTMENT OF CORRECTIONS
OVERTIME PENDING COMPENSATION LOG
FY2011

Received by OFB 05/26/11, 9:34 AM

Remaini ng pay periods	Pay Period Ending	Overtime Amount		
		OT	Night Diff	Hazardous
1	November 20, 2010	71,076.75	5,045.99	11,777.33
2	December 4, 2010	55,152.79	3,362.13	8,599.29
3	February 12, 2011	42,688.73	1,962.29	6,524.01
4	March 12, 2011	36,204.41	1,931.65	5,425.74
5	March 26, 2011	33,672.24	1,968.34	5,232.03
6	April 9, 2011	34,378.69	2,158.11	4,967.23
7	April 23, 2011	39,902.84	2,389.08	6,368.55
8	May 7, 2011	33,279.65	2,029.08	5,021.80
9	May 21, 2011	33,591.67	1,871.87	5,333.85
10				
11				
12				
13				
14				
15				
16				
17				
18				
	TOTAL :	379,947.77	22,718.54	59,249.83

Total to include Benefits not paid	461,916.14
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The average overtime per payperiod is \$42,216 based on the unpaid overtime hours shown above. There is 9 remaining pay periods, so an additional estimated amount of \$380,000 is needed to cover the remaining Fiscal Year. In the previous years, the average overtime hours per period was \$86,000 due to the 12 hour shifts. However, at the end of FY2010, then Acting Director Francisco Crisostomo implemented 8 hours shifts. Since the implementation of this order, the overtime has drastically decreased closed to 45%. We cannot promise that there will be no overtime at all, but we can control and minimize the overtime.

DEPARTMENT OF CORRECTIONS
OVERTIME ACCRUAL
PRIOR YEAR OBLIGATIONS and FY2011 OT PROJECTION

UPDATED AS OF MAY 19, 2011

OVERTIME	N/D	HAZ.
DIRECTOR'S OFFICE		
7,635.96	340.71	768.95
ADULT CORRECTIONAL FACILITY		
1,090,216.18	62,841.42	161,803.23
GUAM DETENTION FACILITY		
279,464.40	17,985.79	41,752.88
PAROLE SERVICES DIVISION		
19,756.66	515.17	2,753.03
GRAND TOTAL:		
1,397,073.20	81,683.09	207,078.09
1,685,834.38		

OVERTIME	NIGHT DIFF	HAZARDOUS
DIRECTOR'S OFFICE		
2,842.46	70.75	153.92
ADULT CORRECTIONAL FACILITY		
1,029,213.20	41,721.82	105,810.57
GUAM DETENTION FACILITY		
264,750.32	11,804.82	27,121.28
PAROLE SERVICES DIVISION		
18,049.55	387.22	1,804.96
GRAND TOTAL:		
1,314,855.53	53,984.61	134,890.73
1,503,730.87		

Payment were made to those employees who have retired, resigned, passed away or requested for assistance due to financial hardship.

05/24/2011
10:02 am

GUAM POLICE DEPARTMENT
Outstanding Overtime for FY2010

Pay Period Ending	Overtime (112)	Night Differential (111)	Hazardous (111)	Retirement @ 26.04% (113)	TOTAL	ND & HZ (111)
7/3/2010	\$ 22,643.98	\$ 1,109.76	\$ 2,240.31	\$ 6,530.30	\$ 32,524.35	\$ 3,350.07 pending
7/17/2010	\$ 21,669.11	\$ 1,046.82	\$ 2,166.90	\$ 6,250.27	\$ 31,133.10	\$ 3,213.72 pending
7/31/2010	\$ 48,540.91	\$ 2,376.97	\$ 4,739.03	\$ 14,005.34	\$ 69,662.25	\$ 7,116.00 pending
8/14/2010	\$ 24,557.07	\$ 1,205.70	\$ 2,455.70	\$ 7,111.05	\$ 35,329.52	\$ 3,661.40 pending
8/28/2010	\$ 30,960.80	\$ 1,469.39	\$ 2,981.23	\$ 8,923.68	\$ 44,335.10	\$ 4,450.62 pending
9/11/2010	\$ 21,823.10	\$ 997.89	\$ 2,106.48	\$ 6,281.72	\$ 31,209.19	\$ 3,104.37 pending
9/25/2010	\$ 53,487.26	\$ 2,507.96	\$ 5,263.77	\$ 15,437.27	\$ 76,696.26	\$ 7,771.73 pending
9/30/2010	\$ 12,254.96	\$ 601.26	\$ 1,203.72	\$ 3,543.10	\$ 17,603.04	\$ 1,804.98 pending
	\$ 235,937.19	\$ 11,315.75	\$ 23,157.14	\$ 68,082.73	\$ 338,492.81	
PENALTY ASSESSED BY U.S. DEPARTMENT LABOR WAGE AND HOUR DIVISION:					\$49,500.00	PENDING
GUAM POLICE DEPARTMENT Current 2011 Overtime						
Pay Period Ending	Overtime (112)	Night Differential (111)	Hazardous (111)	Retirement @ 27.46% (113)	TOTAL	ND & HZ (111)
4/9/2011	\$ 52,290.80	\$ 2,163.53	\$ 5,097.86	\$ 16,353.03	\$ 75,905.22	\$ 7,261.39 pending payment
4/23/2011	\$ 65,920.65	\$ 3,287.56	\$ 6,362.28	\$ 20,751.65	\$ 96,322.14	\$ 9,649.84 pending payment
FROM PPE 04-09-2011 TO 10-08-2011 FOURTEEN (14) PAY PERIODS estimated at the highest overtime of \$96,322.14 accumulated on PPE 04-23-2011					\$ 1,348,509.96	
current Overtime (112) balance on AS400:					\$ 47,391.71	
SHORTFALL:					\$ (1,301,118.25)	

May 24, 2011
9:44 am

GUAM POLICE DEPARTMENT
Outstanding Overtime for FY2010

Pay Period Ending	Overtime (112)	Night Differential (111)	Hazardous (111)	Retirement @ 26.04% (113)	TOTAL	ND & HZ (111)	
7/3/2010	\$ 22,643.98	\$ 1,109.76	\$ 2,240.31	\$ 6,530.30	\$ 32,524.35	\$ 3,350.07	pending
7/17/2010	\$ 21,669.11	\$ 1,046.82	\$ 2,166.90	\$ 6,250.27	\$ 31,133.10	\$ 3,213.72	pending
7/31/2010	\$ 48,540.91	\$ 2,376.97	\$ 4,739.03	\$ 14,005.34	\$ 69,662.25	\$ 7,116.00	pending
8/14/2010	\$ 24,557.07	\$ 1,205.70	\$ 2,455.70	\$ 7,111.05	\$ 35,329.52	\$ 3,661.40	pending
8/28/2010	\$ 30,960.80	\$ 1,469.39	\$ 2,981.23	\$ 8,923.68	\$ 44,335.10	\$ 4,450.62	pending
9/11/2010	\$ 21,823.10	\$ 997.89	\$ 2,106.48	\$ 6,281.72	\$ 31,209.19	\$ 3,104.37	pending
9/25/2010	\$ 53,487.26	\$ 2,507.96	\$ 5,263.77	\$ 15,437.27	\$ 76,696.26	\$ 7,771.73	pending
9/30/2010	\$ 12,254.96	\$ 601.26	\$ 1,203.72	\$ 3,543.10	\$ 17,603.04	\$ 1,804.98	pending
	\$ 235,937.19	\$ 11,315.75	\$ 23,157.14	\$ 68,082.73	\$ 338,492.81		
PENALTY ASSESSED BY U.S. DEPARTMENT LABOR WAGE AND HOUR DIVISION:					\$49,500.00		PENDING
GUAM POLICE DEPARTMENT Current 2011 Overtime							
Pay Period Ending	Overtime (112)	Night Differential (111)	Hazardous (111)	Retirement @ 26.04% (113)	TOTAL	ND & HZ (111)	
4/9/2011	\$ 52,290.80	\$ 2,163.53	\$ 5,097.86	\$ 15,007.15	\$ 74,559.34	\$ 7,261.39	pending payment
4/23/2011	\$ 65,920.65	\$ 3,287.56	\$ 6,362.28	\$ 20,751.65	\$ 96,322.14	\$ 9,649.84	pending payment
<i>FROM PPE 04-09-2011 TO 10-08-2011 FOURTEEN (14) PAY PERIODS estimated at the highest overtime of \$96,322.14 accumulated on PPE 04-23-2011</i>					\$ 1,348,509.96		
<i>current Overtime (112) balance on AS400:</i>					\$ 47,391.71		
SHORTFALL:					\$ (1,301,118.25)		

NOTE: THESE ARE UNPAID OBLIGATIONS THAT HAVE NOT BEEN SUBMITTED TO DOA FOR PROCESSING WITH THE EXCEPTION OF (3) VENDORS THAT WERE REJECTED BY DOA AS NOTED

A	B	C	D	E	F	G
Transaction/ Obligation Date	Transaction Type	Vendor	General Fund (\$)	Special Fund (\$)	Federal Fund (\$)	Reasons for Nonsubmittal or Nonpayment
12/31/2008	contractual services	Motorola, Inc.			\$10,920.62	due to conflicting schedules, invoices were received in 2/2009; grant expired 12/2008
1/28/2009	purchase order - lab supplies	MedPharm	\$110.00			invoice overlooked; no consolidation
7/20/2009	purchase order - printer supplies	ComPacific	\$199.75			late submission to DOA; rejected by DOA
9/30/2008	purchase order - auto parts	Triple J Motors	\$5,122.00			vendor referenced a FY2008 purchase order; no consolidation of account; direct payment request rejected by DOA
9/30/2008; 9/30/2009	purchase order - vehicle safety inspections	Mars Corporation	\$105.00			vendor referenced a FY2008 and FY2009 purchase orders; no consolidation of accounts; direct payment request rejected by DOA
9/30/2009	contractual services - copier maintenance	Xerox Corporation	\$157.41			vendor referenced (2) FY2009 purchase orders; no consolidation of accounts; direct payment request rejected by DOA
9/30/2010	prior military services claim for Gilbert R.C. Quichocho	Gov't of Guam Retirement Fund	\$28,518.35			invoice received in 9/2010 for service claim in 1988 and 1992; unpaid due to insufficient appropriations
9/30/2010	promised compensation - promotions	3rd Cadet Cycle; promotion from PO Trainee to POI (see attached for listing of personnel)	\$73,066.17			GG1s are at BBMR
Total			\$107,278.68	\$0.00	\$10,920.62	

Note:

Column A: Completion date of transaction or event prior to October 1, 2010.

Column B: Transaction Type such as personnel action, contracts, etc.

Column C: Vendor or Party owed

Column D, E, & F: Identify funding source and dollar amount inclusive of associated penalties or fees; if more than one transaction, need to total all transactions.

Column G: Note item of concern.

NOTE: THESE ARE UNPAID OBLIGATIONS THAT HAVE BEEN SUBMITTED TO DOA FOR PROCESSING

A	B	C	D	E	F	G
Transaction/ Obligation Date	Transaction Type	Vendor	General Fund (\$)	Special Fund (\$)	Federal Fund (\$)	Reasons for Nonsubmittal or Nonpayment
9/30/2010	beneficiary payment	Beneficiary of Joseph A. Guerrero	\$25,858.38			request submitted to DOA 8/4/2010
9/30/2010	promotion compensation - USERRA related	Restituto J. Guevara, Jr.	\$4,333.99			request submitted to DOA 8/4/2010
9/30/2010	legislative mandated payments - Doc Sanchez one step merit increase	see attachment for listing of personnel	\$44,868.67			GG-1s submitted to DOA HR in 11/2010
9/30/2010	unpaid FY2010 overtime	GPD personnel	\$338,492.81			unpaid but authorized overtime due to insufficient appropriations or cash
Total			\$413,553.85	\$0.00	\$0.00	

Note:

Column A: Completion date of transaction or event prior to October 1, 2010.

Column B: Transaction Type such as personnel action, contracts, etc.

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Column D, E, & F: Identify funding source and dollar amount inclusive of associated penalties or fees; if more than one transaction, need to total all transactions.

Column G: Note item of concern.



I Mina'trentai Unu Na Liheslaturan Guåhan

Senator Vicente (ben) Cabrera Pangelinan (D)

May 12, 2011

5/12/11
Authority of Guam
Management Office

Mr. Pedro A. Leon Guerrero, Jr.
General Manager
Port Authority of Guam
Piti, Guam

Re: Public Hearing Notice

Hafa Adai Mr. Leon Guerrero,

The Committee on Appropriations, Taxation, Public Debt, Banking, Insurance and Land will conduct a public hearing beginning at **9:00 am, Thursday, May 19, 2011** at the Guam Legislature's Public Hearing Room. The following is the agenda:

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This letter invites you to provide written and/or oral testimony. Please do not hesitate to contact me should you have any questions or comments.

For copies of the bills, you can log onto www.guamlegislature.com or contact our office at 473-4236.

Si Yu'os Ma'ase,


Vicente (ben) Cabrera Pangelinan
Senator

cc: Port Authority of Guam Board of Directors

Chairman
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I Mina'trentai Unu Na Liheslaturan Guåhan

Senator Vicente (ben) Cabrera Pangelinan (D)

May 12, 2011

Ms. Benita Manglona
Acting Director
Department Administration
Hagatna, Guam

Re: Public Hearing Notice

Hafa Adai Ms. Manglona,

The Committee on Appropriations, Taxation, Public Debt, Banking, Insurance and Land will conduct a public hearing beginning at **9:00 am, Thursday, May 19, 2011** at the Guam Legislature's Public Hearing Room. The following is the agenda:

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I Mina'trentai Unu Na Liheslaturan Guåhan

Senator Vicente (ben) Cabrera Pangelinan (D)

May 12, 2011

Mr. David Leddy
President
Guam Chamber of Commerce
Hagatna, Guam

Re: Public Hearing Notice

Hafa Adai Mr. Leddy,

The Committee on Appropriations, Taxation, Public Debt, Banking, Insurance and Land will conduct a public hearing beginning at **9:00 am, Thursday, May 19, 2011** at the Guam Legislature's Public Hearing Room. The following is the agenda:

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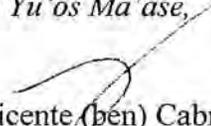
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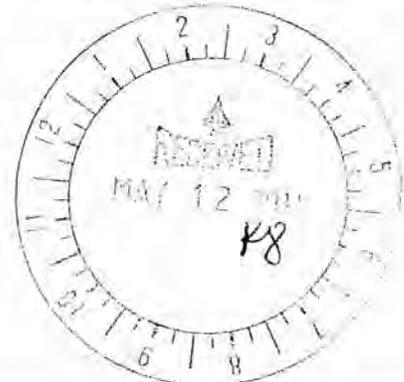
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Si Yu'os Ma'ase,


Vicente (ben) Cabrera Pangelinan
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Office of

the People

I Mina'trentai Unu Na Liheslaturan Guåhan

Senator Vicente (ben) Cabrera Pangelinan (D)

May 12, 2011

Chief Justice F. Phillip Carbullido
Supreme Court of Guam
Hagatna, Guam

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MAY 12 2011

Re: Public Hearing Notice

Hafa Adai Chief Justice Carbullido,

The Committee on Appropriations, Taxation, Public Debt, Banking, Insurance and Land will conduct a public hearing beginning at **9:00 am, Thursday, May 19, 2011** at the Guam Legislature's Public Hearing Room. The following is the agenda:

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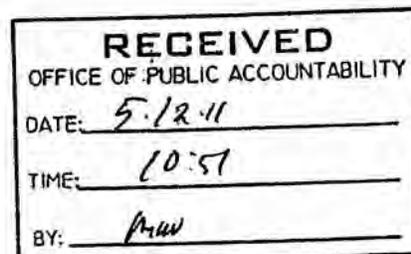
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I Mina'trentai Unu Na Liheslaturan Guåhan

Senator Vicente (ben) Cabrera Pangelinan (D)

May 12, 2011



Ms. Doris Flores Brooks
Public Auditor
Office of Public Accountability
Hagatna, Guam

Re: Public Hearing Notice

Hafa Adai Ms. Flores Brooks,

The Committee on Appropriations, Taxation, Public Debt, Banking, Insurance and Land will conduct a public hearing beginning at 9:00 am, **Thursday, May 19, 2011** at the Guam Legislature's Public Hearing Room. The following is the agenda:

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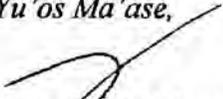
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I Mina'trentai Unu Na Liheslaturan Guahan

Senator Vicente (ben) Cabrera Pangelinan (D)

May 12, 2011

Governor Edward Calvo
Office of the Governor
Adelup, Guam

Re: Public Hearing Notice

Hafa Adai Governor Calvo,

The Committee on Appropriations, Taxation, Public Debt, Banking, Insurance and Land will conduct a public hearing beginning at **9:00 am, Thursday, May 19, 2011** at the Guam Legislature's Public Hearing Room. The following is the agenda:

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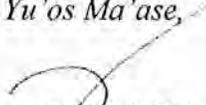
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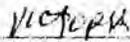
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Si Yu'os Ma'ase,


Vicente (ben) Cabrera Pangelinan
Senator

cc: Lt. Governor Ray Tenorio
Mr. Frank Arriola, Governor Chief of Staff

OFFICE OF THE GOVERNOR
CENTRAL FILES


RECEIVED BY
TIME 10:20 DATE 5-12-11

324 W. Soledad Ave. Suite 100, Hagåtña, Guam 96910

Tel: (671) 473-(4BEN) 4236 - Fax: (671) 473-4238 - Email: senbenp@guam.net

Website: <http://senbenp.com>



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I Mina'trentai Unu Na Liheslaturan Guåhan

Senator Vicente (ben) Cabrera Pangelinan (D)

May 12, 2011

Ms. Benita Manglona
Director
Bureau of Budget Management & Research
Office of the Governor
Adelup, Guam

Re: Public Hearing Notice

Hafa Adai Ms. Manglona,

The Committee on Appropriations, Taxation, Public Debt, Banking, Insurance and Land will conduct a public hearing beginning at **9:00 am, Thursday, May 19, 2011** at the Guam Legislature's Public Hearing Room. The following is the agenda:

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Si Yu'os Ma'ase,

Vicente (ben) Cabrera Pangelinan
Senator

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10:22am
MAY 12 2011

Bureau of Budget and
Management Research

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Website: <http://senbenp.com>



I Mina'trentai Unu Na Liheslaturan Guåhan

Senator Vicente (ben) Cabrera Pangelinan (D)

May 12, 2011

Mr. Rey Vega
Acting Administrator
Guam Memorial Hospital
Tamuning, Guam



Re: Public Hearing Notice

Hafa Adai Mr. Vega,

The Committee on Appropriations, Taxation, Public Debt, Banking, Insurance and Land will conduct a public hearing beginning at **9:00 am, Thursday, May 19, 2011** at the Guam Legislature's Public Hearing Room. The following is the agenda:

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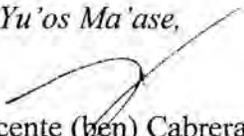
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Si Yu'os Ma'ase,


Vicente (ben) Cabrera Pangelinan
Senator

cc: Guam Memorial Hospital Board of Trustees

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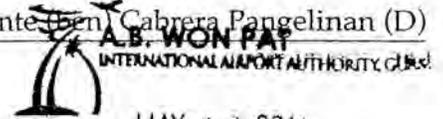
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I Mina'trentai Unu Na Liheslaturan Guahan

Senator Vicente (Ben) Cabrera Pangelinan (D)

May 12, 2011



TIME: 12:41 PM
REC'D BY: [Signature]

Ms. Mary Torres
Executive Manager
AB International Airport Authority
Tiyan, Guam

Re: Public Hearing Notice

Hafa Adai Ms. Torres,

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Si Yu'os Ma'ase,

Vicente (ben) Cabrera Pangelinan
Senator

cc: AB International Airport Authority Board of Directors



I Mina'trentai Unu Na Liheslaturan Guåhan

Senator Vicente (ben) Cabrera Pangelinan (D)

May 12, 2011

Mr. Joaquin Flores
General Manager
Guam Power Authority
Dededo, Guam



Re: Public Hearing Notice

Hafa Adai Mr. Flores,

The Committee on Appropriations, Taxation, Public Debt, Banking, Insurance and Land will conduct a public hearing beginning at **9:00 am, Thursday, May 19, 2011** at the Guam Legislature's Public Hearing Room. The following is the agenda:

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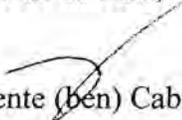
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I Mina'trentai Unu Na Liheslaturan Guåhan

Senator Vicente (ben) Cabrera Pangelinan (D)

May 12, 2011

Dr. Robert Underwood
President
University of Guam
Mangilao, Guam

Re: Public Hearing Notice

Hafa Adai Dr. Underwood,

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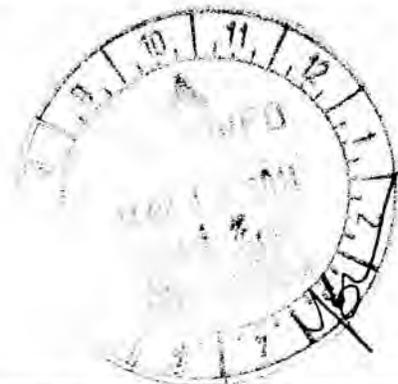
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Reform

I Mina'trentai Unu Na Liheslaturan Guåhan

Senator Vicente (ben) Cabrera Pangelinan (D)

May 12, 2011

Dr. Mary Okada
President
Guam Community College
Mangilao, Guam

Re: Public Hearing Notice

Hafa Adai Dr. Okada,

The Committee on Appropriations, Taxation, Public Debt, Banking, Insurance and Land will conduct a public hearing beginning at **9:00 am, Thursday, May 19, 2011** at the Guam Legislature's Public Hearing Room. The following is the agenda:

Bills:

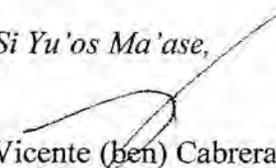
Bill No. 184-31 (COR): An Act to provide supplemental appropriations for the operations of the Executive Branch of the Government of Guam for Fiscal Year ending September 30, 2011; and for other purposes.

Bill No. 145-31 (COR): An Act making Biennial Appropriations for the operations of the Executive Branch of the government of Guam for Fiscal Year ending September 30,, 2012 and for Fiscal Year ending September 30, 2013, making other appropriations, and establishing miscellaneous and administrative provisions.

This letter invites you to provide written and/or oral testimony. Please do not hesitate to contact me should you have any questions or comments.

For copies of the bills, you can log onto www.guamlegislature.com or contact our office at 473-4236.

Si Yu'os Ma'ase,


Vicente (ben) Cabrera Pangelinan
Senator



I Mina'trentai Unu Na Liheslaturan Guåhan

Senator Vicente (ben) Cabrera Pangelinan (D)

May 12, 2011

Mr. John Camacho
Director
Department of Revenue & Taxation
Barrigada, Guam

Re: Public Hearing Notice

Hafa Adai Mr. Camacho,

The Committee on Appropriations, Taxation, Public Debt, Banking, Insurance and Land will conduct a public hearing beginning at **9:00 am, Thursday, May 19, 2011** at the Guam Legislature's Public Hearing Room. The following is the agenda:

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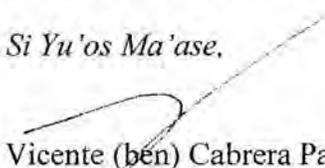
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Si Yu'os Ma'ase,


Vicente (ben) Cabrera Pangelinan
Senator



Chairman
Committee on Appropriations,
Taxation, Public Debt, Banking,
Insurance, Retirement, and
Land

Vice Chairman
Committee on Education

Member
Committee on Rules,
Federal, Foreign &
Micronesian Affairs and
Human & Natural
Resources

Member
Committee on
Municipal Affairs,
Tourism, Housing, and
Recreation

Member
Committee on the Guam
Military Buildup and
Homeland Security

Member
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Human Services, Senior
Citizens, Economic
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Reform

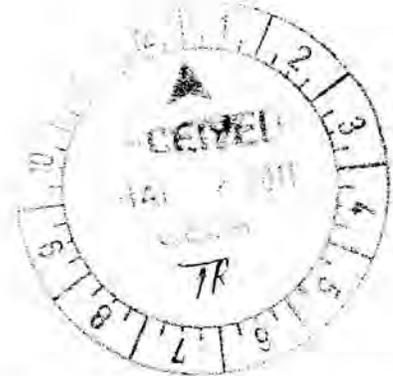


I Mina'trentai Unu Na Liheslaturan Guåhan

Senator Vicente (ben) Cabrera Pangelinan (D)

May 12, 2011

Mr. Karl Pangelinan
Administrator
Guam Economic Development Authority
Tamuning, Guam



Re: Public Hearing Notice

Hafa Adai Mr. Pangelinan,

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Si Yu'os Ma'ase,

Vicente (ben) Cabrera Pangelinan
Senator

Chairman
Committee on Appropriations,
Taxation, Public Debt, Banking,
Insurance, Retirement, and
Land

Vice Chairman
Committee on Education

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Reform



I Mina'trentai Unu Na Liheslaturan Guåhan

Senator Vicente (ben) Cabrera Pangelinan (D)

May 12, 2011

Dr. Nerissa Underwood
Superintendent
Department of Education
Hagatna, Guam

Re: Public Hearing Notice

Hafa Adai Dr. Underwood,

The Committee on Appropriations, Taxation, Public Debt, Banking, Insurance and Land will conduct a public hearing beginning at **9:00 am, Thursday, May 19, 2011** at the Guam Legislature's Public Hearing Room. The following is the agenda:

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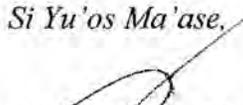
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Si Yu'os Ma'ase,


Vicente (ben) Cabrera Pangelinan
Senator

cc: Guam Education Board



Chairman
Committee on Appropriations,
Taxation, Public Debt, Banking,
Insurance, Retirement, and
Land

Vice Chairman
Committee on Education

Member
Committee on Rules,
Federal, Foreign &
Micronesian Affairs and
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Member
Committee on
Municipal Affairs,
Tourism, Housing, and
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Military Buildup and
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Human Services, Senior
Citizens, Economic
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Reform



I Mina'trentai Unu Na Liheslaturan Guåhan

Senator Vicente (ben) Cabrera Pangelinan (D)

May 12, 2011

Ms. Paula Blas
Director
Government of Guam Retirement Fund
Maite, Guam

Re: Public Hearing Notice

Hafa Adai Ms. Blas,

The Committee on Appropriations, Taxation, Public Debt, Banking, Insurance and Land will conduct a public hearing beginning at **9:00 am, Thursday, May 19, 2011** at the Guam Legislature's Public Hearing Room. The following is the agenda:

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This letter invites you to provide written and/or oral testimony. Please do not hesitate to contact me should you have any questions or comments.

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Si Yu'os Ma'ase,


Vicente (ben) Cabrera Pangelinan
Senator

cc: GGRF Board of Trustees

GOVERNMENT OF GUAM
OFFICE OF THE SENATOR
2011 MAY 12 PM 1:10


Chairman
Committee on Appropriations,
Taxation, Public Debt, Banking,
Insurance, Retirement, and
Land

Vice Chairman
Committee on Education

Member
Committee on Rules,
Federal, Foreign &
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Committee on the Guam
Military Buildup and
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Member
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Reform



I Mina'trentai Unu Na Liheslaturan Guåhan

Senator Vicente (ben) Cabrera Pangelinan (D)

May 12, 2011

Mr. Angel Sablan
Executive Director
Mayors Council of Guam
Hagatna, Guam

RECEIVED

1:16pm
MAY 12 2011

MAYORS' COUNCIL
OF GUAM

Re: Public Hearing Notice

Hafa Adai Mr. Sablan,

The Committee on Appropriations, Taxation, Public Debt, Banking, Insurance and Land will conduct a public hearing beginning at **9:00 am, Thursday, May 19, 2011** at the Guam Legislature's Public Hearing Room. The following is the agenda:

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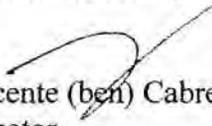
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For copies of the bills, you can log onto www.guamlegislature.com or contact our office at 473-4236.

Si Yu'os Ma'ase,


Vicente (ben) Cabrera Pangelinan
Senator

cc: Executive Officers, Mayors Council

Chairman
Committee on Appropriations,
Taxation, Public Debt, Banking,
Insurance, Retirement, and
Land

Vice Chairman
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Reform



I Mina'trentai Unu Na Liheslaturan Guåhan

Senator Vicente (ben) Cabrera Pangelinan (D)

May 12, 2011

Leonard Rapadas, Esq.
Attorney General of Guam
Office of the Attorney General
Hagatna, Guam

Re: Public Hearing Notice

Hafa Adai General Rapadas,

The Committee on Appropriations, Taxation, Public Debt, Banking, Insurance and Land will conduct a public hearing beginning at **9:00 am, Thursday, May 19, 2011** at the Guam Legislature's Public Hearing Room. The following is the agenda:

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Si Yu'os Ma'ase,

Vicente (ben) Cabrera Pangelinan
Senator

jc 11.44 AM

Chairman
Committee on Appropriations,
Taxation, Public Debt, Banking,
Insurance, Retirement, and
Land

Vice Chairman
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Citizens, Economic
Development, and Election
Reform



Edward J.B. Calvo
Governor

Raymond Tenorio
Lieutenant Governor

**GOVERNMENT OF GUAM
DEPARTMENT OF ADMINISTRATION
DIVISION OF ACCOUNTS**

Post Office Box 884 Hagatna, Guam 96932
Tel: (671) 477-0078/475-1266 Fax: (671) 472-8483



Benita Mangena
Acting Director

George A. Santos
Deputy Director



12621161
INVOICE

DOA 2011-02

Please mention Invoice No. when making remittances. Make check payable to:

YOUR ORDER NO: Guam International Airport Authority

March 30, 2011

Re: Public Law 24-14, Section 3 & 4

No	ITEM NO.	ITEM DESCRIPTION	
1	1998	Annual Assessment	875,000.00
2	1999	Annual Assessment	875,000.00
3	2000	Annual Assessment	875,000.00
4	2001	Annual Assessment	875,000.00
5	2002	Annual Assessment	875,000.00
6	2003	Annual Assessment	875,000.00
7	2004	Annual Assessment	875,000.00
8	2005	Annual Assessment	875,000.00
9	2006	Annual Assessment	875,000.00
10	2007	Annual Assessment	875,000.00
11	2008	Annual Assessment	875,000.00
12	2009	Annual Assessment	875,000.00
13	2010	Annual Assessment	875,000.00
14	2011	Annual Assessment	875,000.00
15			
16			
17			
18			
19			
20			
TOTAL			12,250,000.00

A.B. WON PAT
INTERNATIONAL AIRPORT AUTHORITY GUAM
MAR 31 2011
TIME: _____
REC'D BY: _____

Billing Instructions:

1. Prepare one (1) original and four (4) copies.
2. Forward original and one (1) copy to payer.
3. One (1) copy to journal entries.
4. One (1) copy to activity selling articles of services.
5. One (1) copy to Invoice files.

I CERTIFY THAT THE ABOVE BILL IS CORRECT AND JUST AND THAT PAYMENT THEREFORE HAS NOT

SIGNATURE (Authorized Certifying Officer)

K.B. X
KATHRINE B. KAKIGI

DEPUTY FINANCIAL MANAGER

926250077 HK-KA 76



Edward J.B. Calvo
Governor

Raymond Tenorio
Lieutenant Governor

**GOVERNMENT OF GUAM
DEPARTMENT OF ADMINISTRATION
DIVISION OF ACCOUNTS**

Post Office Box 884 Hagatna, Guam 96932
Tel: (671) 477-0078/475-1266 Fax: (671) 472-8483



Benita Mangiona
Acting Director

George A. Santos
Deputy Director



INVOICE

YOUR ORDER NO: Port Authority of Guam

DOA 2011-01

Please mention Invoice No. when making remittances. Make check payable to:

March 30, 2011

Re: Public Law 24-14, Section 3 & 4

No	ITEM NO.	ITEM DESCRIPTION	
1	1998	Annual Assessment	875,000.00
2	1999	Annual Assessment	875,000.00
3	2000	Annual Assessment	875,000.00
4	2001	Annual Assessment	875,000.00
5	2002	Annual Assessment	875,000.00
6	2003	Annual Assessment	875,000.00
7	2004	Annual Assessment	875,000.00
8	2005	Annual Assessment	875,000.00
9	2006	Annual Assessment	875,000.00
10	2007	Annual Assessment	875,000.00
11	2008	Annual Assessment	875,000.00
12	2009	Annual Assessment	875,000.00
13	2010	Annual Assessment	875,000.00
14	2011	Annual Assessment	875,000.00
15			
16			
17			
18			
19			
20			
TOTAL			12,250,000.00

3/30/11
Port Authority of Guam
General Manager's Office
RECEIVED

Billing Instructions:

1. Prepare one (1) original and four (4) copies.
2. Forward original and one (1) copy to payer.
3. One (1) copy to journal entries.
4. One (1) copy to activity selling articles of services.
5. One (1) copy to Invoice files.

I CERTIFY THAT THE ABOVE BILL IS CORRECT AND JUST AND THAT PAYMENT THEREFORE HAS NOT

SIGNATURE (Authorized Certifying Officer)

K.B.
KATHRINE B. KAKIGI

DEPUTY FINANCIAL MANAGER



Edward J.B. Calvo
Governor

Raymond Tesorio
Lieutenant Governor

**GOVERNMENT OF GUAM
DEPARTMENT OF ADMINISTRATION
DIVISION OF ACCOUNTS**

Post Office Box 884 Hagatna, Guam 96932
Tel: (671) 477-0078/475-1266 Fax: (671) 472-8483



Benita Mangiona
Acting Director

George A. Santos
Deputy Director



INVOICE

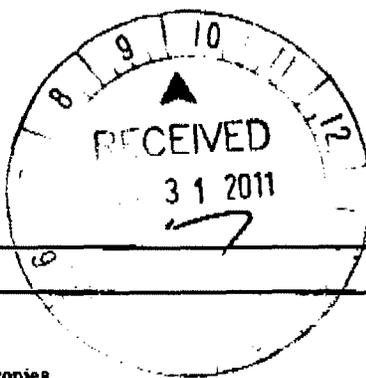
YOUR ORDER NO: Guam Power Authority

DOA 2011-08
Please mention Invoice
No. when making
remittances. Make
check payable to:

March 30, 2011

Re: Public Law 24-14, Section 3 & 4

No	ITEM NO.	ITEM DESCRIPTION		
1	1998	Annual Assessment		875,000.00
2	1999	Annual Assessment		875,000.00
3	2000	Annual Assessment		875,000.00
4	2001	Annual Assessment		875,000.00
5	2002	Annual Assessment		875,000.00
6	2003	Annual Assessment		875,000.00
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10	2007	Annual Assessment		875,000.00
11	2008	Annual Assessment		875,000.00
12	2009	Annual Assessment		875,000.00
13	2010	Annual Assessment		875,000.00
14	2011	Annual Assessment		875,000.00
15				
16				
17				
18				
19				
20				
			TOTAL	12,250,000.00



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3. One (1) copy to journal entries.
4. One (1) copy to activity selling articles of services.
5. One (1) copy to Invoice files.

I CERTIFY THAT THE ABOVE BILL IS CORRECT AND JUST AND THAT PAYMENT THEREFORE HAS NOT
SIGNATURE (Authorized Certifying Officer)

KATHRINE B. KARIGI
DEPUTY FINANCIAL MANAGER

**I MINA'TRENTAI UNU NA LIHESLATURAN GUÅHAN
THIRTY FIRST GUAM LEGISLATURE
2011 (SECOND) REGULAR SESSION**

BILL NO. 184-31 (LS)

Introduced by:

2011 MAY -4 PM 5:20

Committee on Rules; Federal, Foreign &
Micronesian Affairs; and Human & Natural Resources
**at the request of *I Maga'lahaen Guåhan*,
the Governor of Guam, in accordance
with the Organic Act of Guam.**

**AN ACT TO PROVIDE SUPPLEMENTAL
APPROPRIATIONS FOR THE OPERATIONS OF
THE EXECUTIVE BRANCH OF THE
GOVERNMENT OF GUAM FOR FISCAL YEAR
ENDING SEPTEMBER 30, 2011; AND FOR OTHER
PURPOSES.**

1 **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2 **Section 1. Findings and Intent.** *I Liheslaturan Guåhan* has been presented
3 with the Supplemental Appropriations Act of 2011 which is intended to relieve mounting
4 demands placed upon many of our essential government agencies. Budget shortfalls for
5 various programs and agencies are expected as the current budgeted levels are lower than
6 what had been requested for operational requirements. There is a projected shortfall for
7 Medical/Dental/Life insurance for both the retirees and line-agencies and this funding
8 deficiency was confirmed by the Department of Administration and the Bureau of Budget
9 and Management Research and further affirmed by the Office of Public Accountability.
10 The contract for health insurance had been approved and in effect providing coverage for
11 government of Guam employees. *I Liheslaturan Guåhan* further recognizes the fact that
12 the passage of the Fiscal Year 2011 Budget Act occurred in August, and prior to the

1 implementation of the newly negotiated rates, making it difficult to enact corresponding
2 budgetary adjustments into law as all projected revenues available for appropriations had
3 already been allocated. As such, it is necessary to supplement the existing health
4 insurance appropriation in order to continue providing health care coverage to retirees,
5 employees and their families. The provision of funds for this request will avert the
6 termination of medical coverage by mid-June.

7 The Department of Administration had reported the following monthly cash
8 positions:

9 October of this fiscal year began with a negative \$2.2M cash balance. In that
10 month, \$42M in General Fund and Special Funds were paid out for prior year payables.
11 In addition, \$1.7M was paid back to a restricted account and this ended the month with a
12 negative \$18.3M cash balance. November ended with a negative \$14.3M cash balance,
13 which prompted the financial institution to advise DOA to reduce its cash float.
14 December ended with a negative \$3.2M cash balance, which included \$8.4M in inter-
15 fund borrowings that, without the borrowing, would have increased the end balance to a
16 negative \$10.5M. As a result, the impact was reflected in the substantial non-payment of
17 subsidies to the autonomous and semi-autonomous agencies, limited vendor payables and
18 significantly reduced pay-outs for tax refunds. It should be noted that in December, tax
19 refunds ceased to be paid out two weeks before the end of the month.

20 January ended with a negative \$2.8M cash balance. From revenues collected in
21 this month, it afforded us the opportunity to embark on a new fiscal policy and to restore
22 the inter-fund borrowings of \$8.4M. Moreover, \$4.8M of prior year accounts payable
23 were also paid in order to decrease liabilities.

1 The major cash management challenges of the previous months and the increasing
2 deficit have limited the cash available for tax refunds. As a result, this government has
3 not been able to keep pace with the required payments for tax refunds. Consequently, it
4 is unfortunate that a limited amount of tax refunds could be paid out. However, this
5 administration recognized the need to resume the payments for refunds and directed DOA
6 to identify funds for payment of this obligation using our limited cash resources.

7 *I Liheslaturan Guåhan* notes that the September 30, 2010 draft financial
8 statements reflect an increase in the General Fund deficit of \$83M for FY 2010, thus
9 increasing the cumulative General Fund deficit to \$349M. *I Liheslaturan Guåhan* finds
10 that the current cash position dictates the need to find revenue sources with available cash
11 to pay for the additional funding requirements of this Act.

12 The current cash challenges dictated the need for the use of non-traditional
13 sources. The Bureau of Budget and Management Research, the Department of Revenue
14 and Taxation and the Department of Administration had explored all available funding
15 sources and identified the non-traditional revenue and funding options contained in this
16 Act.

17 **Section 2. Short Title.** This Act *shall* be known as the "***Supplemental***
18 ***Appropriations Act of 2011***". *Except* as otherwise provided by this Act, the
19 appropriations made by this Act shall be available to pay for obligations incurred on *or*
20 after October 1, 2010 but *no later than* September 30, 2011. *If* any appropriation in this
21 Act is found contrary to federal law, all other portions of this Act *shall* remain valid.

22 **Section 3. Overpayment of Interest Payment to Government of Guam**
23 **Retirement Fund (GGRF).** Pursuant to the Government of Guam Liabilities

1 **Section 4. Base Operational Appropriations.** The following Base
 2 Operational Appropriations, as reflected below in sub-items (a) through (o), are hereby
 3 adjusted as follows:

4 **(a)** Section 2 of Part II of Chapter III of Public Law 30-196, as *amended* by Section
 5 3(f)(6) of Public Law 30-224, is hereby *repealed* and *reenacted* to read:

6 **“Section 2. Appropriation.** Funds provided in this Section are hereby
 7 appropriated and authorized out of the General Fund, Special Funds and Federal
 8 Matching Grants-in-Aid to the Department of Public Health and Social Services
 9 for its operations in Fiscal Year 2011. This appropriation *shall* be expended in
 10 accordance with the object class allocations outlined below.

11 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

12	APPROP. CLASS	OBJECT CLASS	GENERAL FUND	SPECIAL FUND	TOTAL
13	REG SALARIES	111	\$2,741,052	\$3,973,319	\$6,714,371
14	OT/SP	112	\$0	\$0	\$0
15	BENEFITS	113	\$968,957	\$1,304,368	\$2,273,325
16	TRAVEL/MILE	220	\$42,156	\$12,750	\$54,906
17	CONT. SERV.	230	\$9,233,747	\$766,696	\$10,000,443
18	OFF. RENTAL	233	\$471,605	\$162,600	\$634,205
19	SUP. & MAT.	240	\$71,790	\$331,042	\$402,832
20	EQUIPMENT	250	\$9,899	\$0	\$9,899
21	WRK. COMP.	270	\$0	\$0	\$0
22	DRUG TEST	271	\$150	\$0	\$150
23	SUBGRANT	280	\$0	\$0	\$0
24	MISC	290	\$19,385,809	\$200,000	\$19,585,809
25	POWER	361	\$0	\$0	\$0
26	WATER/SEWER	362	\$0	\$0	\$0
27	PHONE/TOLL	363	\$428,951	\$20,412	\$449,363
28	CAP. OTLY.	450	\$0	\$0	\$0
29	<u>GR. TOTAL</u>		<u>\$33,354,116</u>	<u>\$6,771,187</u>	<u>\$40,125,303</u>

1	POWER	361	\$0	\$0	\$0
2	WATER/SEWER	362	\$0	\$0	\$0
3	PHONE/TOLL	363	\$100,250	\$0	\$100,250
4	CAP. OTLY	450	\$0	\$165,000	\$165,000
5	<u>GR. TOTAL</u>		<u>\$8,591,746</u>	<u>\$5,000,938</u>	<u>\$13,592,684</u>

6 **Healthy Futures Fund \$5,000,938**

7 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING SOURCE**

8	GENERAL FUND		\$8,591,746	
9	FEDERAL MATCHING GRANTS-IN-AID		\$0	
10	SPECIAL FUNDS		<u>\$5,000,938</u>	
11	TOTAL			\$13,592,684"

12 (c) Section 2 of Part IV of Chapter III of Public Law 30-196, is hereby *repealed* and
13 *reenacted* to read:

14 **“Section 2. Appropriation.** Funds provided in this Section are hereby
15 appropriated and authorized out of General Fund, Special Funds and Federal
16 Matching Grants-in-Aid to the DISID for its operations in Fiscal Year 2011. This
17 appropriation *shall* be expended in accordance with object class allocations
18 outlined below.

19 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

20	APPROP. CLASS	OBJECT CLASS	GENERAL FUND	SPECIAL FUND	TOTAL
21	REG SALARIES	111	\$417,366	\$0	\$417,366
22	OT/SP	112	\$0	\$0	\$0
23	BENEFITS	113	\$129,869	\$0	\$129,869
24	TRAVEL/MILE	220	\$0	\$0	\$0
25	CONT. SERV.	230	\$68,040	\$513,881	\$581,921
26	OFF. RENTAL	233	\$118,128	\$0	\$118,128
27	SUP. & MAT.	240	\$4,000	\$0	\$4,000
28	EQUIPMENT	250	\$0	\$0	\$0
29	WRK. COMP.	270	\$0	\$0	\$0
30	DRUG TEST	271	\$0	\$0	\$0

1	CAP. OTLY.	450	\$75,000	\$0	\$75,000
2	<u>GR. TOTAL</u>		<u>\$6,367,256</u>	<u>\$388,103</u>	<u>\$6,755,359</u>

3 **Indirect Cost Fund \$388,103**

4 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING SOURCE**

5	GENERAL FUND			\$6,367,256	
6	FEDERAL MATCHING GRANTS-IN-AID			\$0	
7	SPECIAL FUNDS			<u>\$388,103</u>	
8	TOTAL			\$6,755,359	

9 (e) Section 2(b) of Chapter V of Public Law 30-196, is hereby *repealed* and
 10 *reenacted* to read:

11 **“(b) ANCESTRAL LANDS COMMISSION**

12 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

13	APPROP. CLASS	OBJECT CLASS	GENERAL FUND	SPECIAL FUND	TOTAL
14	REG SALARIES	111	\$139,565	\$0	\$139,565
15	OT/SP	112	\$0	\$0	\$0
16	BENEFITS	113	\$45,581	\$0	\$45,581
17	TRAVEL/MILE	220	\$0	\$0	\$0
18	CONT. SERV.	230	\$2,204	\$0	\$2,204
19	OFF. RENTAL	233	\$36,034	\$0	\$36,034
20	SUP. & MAT.	240	\$500	\$0	\$500
21	EQUIPMENT	250	\$0	\$0	\$0
22	WRK. COMP.	270	\$0	\$0	\$0
23	DRUG TEST	271	\$0	\$0	\$0
24	SUBGRANT	280	\$0	\$0	\$0
25	MISC	290	\$0	\$0	\$0
26	POWER	361	\$0	\$0	\$0
27	WATER/SEWER	362	\$0	\$0	\$0
28	PHONE/TOLL	363	\$3,000	\$0	\$3,000
29	CAP. OTLY.	450	\$0	\$0	\$0
30	<u>GR. TOTAL</u>		<u>\$226,884</u>	<u>\$0</u>	<u>\$226,884</u>

31 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING SOURCE**

32	GENERAL FUND	\$226,884
33	FEDERAL MATCHING GRANTS-IN-AID	\$0

1 (g) Section 2(e) of Chapter V of Public Law 30-196, is hereby *repealed* and
 2 *reenacted* to read:

3 **“(e) DEPARTMENT OF ADMINISTRATION**

4 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

5	APPROP. CLASS	OBJECT CLASS	GENERAL FUND	SPECIAL FUND	TOTAL
6	REG SALARIES	111	\$4,359,597	\$247,653	\$4,607,250
7	OT/SP	112	\$3,392	\$0	\$3,392
8	BENEFITS	113	\$1,476,544	\$86,643	\$1,563,187
9	TRAVEL/MILE	220	\$0	\$0	\$0
10	CONT. SERV.	230	\$813,247	\$0	\$813,247
11	OFF. RENTAL	233	\$0	\$0	\$0
12	SUP. & MAT.	240	\$44,237	\$4,073	\$48,310
13	EQUIPMENT	250	\$5,000	\$0	\$5,000
14	WRK. COMP.	270	\$0	\$0	\$0
15	DRUG TEST	271	\$0	\$0	\$0
16	SUBGRANT	280	\$0	\$0	\$0
17	MISC	290	\$0	\$0	\$0
18	POWER	361	\$0	\$0	\$0
19	WATER/SEWER	362	\$0	\$0	\$0
20	PHONE/TOLL	363	\$539,000	\$0	\$539,000
21	CAP. OTLY.	450	\$0	\$0	\$0
22	GR. TOTAL		\$7,241,017	\$338,369	\$7,579,386

23 **Indirect Cost Fund \$338,369**

24 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING SOURCE**

25	GENERAL FUND	\$7,241,017
26	FEDERAL MATCHING GRANTS-IN-AID	\$0
27	SPECIAL FUNDS	<u>\$338,369</u>
28	TOTAL	\$7,579,386”

29 (h) Section 2(e)(11) of Chapter V of Public Law 30-196, as amended by Section 3 (f)
 30 (9) of Public Law 30-224, is hereby *repealed* and *reenacted* to read:

1	TRAVEL/MILE	220	\$0	\$0	\$0
2	CONT. SERV.	230	\$101,971	\$2,718,851	\$2,820,822
3	OFF. RENTAL	233	\$0	\$0	\$0
4	SUP. & MAT.	240	\$907,140	\$1,704,435	\$2,611,575
5	EQUIPMENT	250	\$0	\$635,070	\$635,070
6	WRK. COMP.	270	\$0	\$6,000	\$6,000
7	DRUG TEST	271	\$0	\$0	\$0
8	SUBGRANT	280	\$0	\$0	\$0
9	MISC	290	\$0	\$5,250	\$5,250
10	POWER	361	\$0	\$0	\$0
11	WATER/SEWER	362	\$0	\$0	\$0
12	PHONE/TOLL	363	\$45,741	\$72,135	\$117,876
13	CAP. OTLY.	450	\$18,000	\$510,000	\$528,000
14	<u>GR. TOTAL</u>		<u>\$8,710,296</u>	<u>\$14,182,232</u>	<u>\$22,892,528</u>

15 **DPW Building & Design Fund \$541,175 (111-\$293,980; 113-\$88,777; 230-\$60,664;**
16 **240-\$7,684; 250-\$40,070; 450-\$50,000)**

17 **Solid Waste Operations Fund \$6,211,816 (111-\$1,384,680; 112-\$59,712; 113-**
18 **\$496,767; 230-\$2,215,236; 240-\$1,003,380; 250-\$575,000; 270-\$5,000; 363-\$12,041;**
19 **450-\$460,000)**

20 **Guam Highway Fund \$7,429,241 (111-\$4,651,263; 113-\$1,555,312; 230-**
21 **\$442,951; 240-\$693,371; 250-\$20,000; 270-\$1,000; 290-\$5,250; 363-\$60,094)**

22 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING SOURCE**

23	GENERAL FUND			\$8,710,296	
24	FEDERAL MATCHING GRANTS-IN-AID			\$0	
25	SPECIAL FUNDS			<u>\$14,182,232</u>	
26	TOTAL			\$22,892,528	

27 **(j)** Section 2(l) of Chapter V of Public Law 30-196, is hereby *repealed* and *reenacted*
28 to read:

29 **“(I) GUAM POLICE DEPARTMENT**

30 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

31	<u>APPROP. CLASS</u>	<u>OBJECT CLASS</u>	<u>GENERAL FUND</u>	<u>SPECIAL FUND</u>	<u>TOTAL</u>
32	REG SALARIES	111	\$15,261,846	\$0	\$15,261,846

1	OFF. RENTAL	233	\$114,000	\$0	\$114,000
2	SUP. & MAT.	240	\$102,515	\$96,000	\$198,515
3	EQUIPMENT	250	\$0	\$0	\$0
4	WRK. COMP.	270	\$0	\$0	\$0
5	DRUG TEST	271	\$0	\$0	\$0
6	SUBGRANT	280	\$0	\$0	\$0
7	MISC	290	\$79,800	\$0	\$79,800
8	POWER	361	\$0	\$0	\$0
9	WATER/SEWER	362	\$0	\$0	\$0
10	PHONE/TOLL	363	\$70,000	\$0	\$70,000
11	CAP. OTLY.	450	\$0	\$0	\$0
12	<u>GR. TOTAL</u>		<u>\$14,330,593</u>	<u>\$1,159,662</u>	<u>\$15,490,255</u>

13 **DOC Revolving Fund \$1,063,662 (230-\$1,063,662)**

14 **Safe Streets Fund \$96,000 (\$240-\$96,000)**

15 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING SOURCE**

16	GENERAL FUND		\$14,330,593
17	FEDERAL MATCHING GRANTS-IN-AID		\$0
18	SPECIAL FUNDS		<u>\$1,159,662</u>
19	TOTAL		\$15,490,255"

20 **(I)** Section 2(p) of Chapter V of Public Law 30-196, is hereby *repealed* and
21 *reenacted* to read:

22 **“(p) DEPARTMENT OF YOUTH AFFAIRS**

23 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

24	APPROP. CLASS	OBJECT CLASS	GENERAL FUND	SPECIAL FUND	TOTAL
25	REG SALARIES	111	\$2,606,539	\$103,902	\$2,710,441
26	OT/SP	112	\$138,418	\$0	\$138,418
27	BENEFITS	113	\$713,319	\$38,185	\$751,504
28	TRAVEL/MILE	220	\$0	\$0	\$0
29	CONT. SERV.	230	\$555,488	\$26,122	\$581,610
30	OFF. RENTAL	233	\$0	\$0	\$0
31	SUP. & MAT.	240	\$82,870	\$21,590	\$104,460
32	EQUIPMENT	250	\$0	\$9,410	\$9,410

1	POWER	361	\$0	\$0	\$0
2	WATER/SEWER	362	\$0	\$0	\$0
3	PHONE/TOLL	363	\$0	\$22,693	\$22,693
4	CAP. OTLY.	450	\$0	\$0	\$0
5	<u>GR. TOTAL</u>		<u>\$243,223</u>	<u>\$3,296,048</u>	<u>\$3,539,271</u>

6 **Land Survey Revolving Fund \$3,296,048**

7 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING SOURCE**

8	GENERAL FUND	\$243,223
9	FEDERAL MATCHING GRANTS-IN-AID	\$0
10	SPECIAL FUNDS	<u>\$3,296,048</u>
11	TOTAL	\$3,539,271”

12 **(n)** Section 2(u) of Chapter V of Public Law 30-196, is hereby *repealed* and
13 *reenacted* to read:

14 **“(u) CHIEF MEDICAL EXAMINER**

15 **SUMMARY OF BASE OPERATIONAL APPROPRIATION**

16	APPROP. CLASS	OBJECT CLASS	GENERAL FUND	SPECIAL FUND	TOTAL
17	REG SALARIES	111	\$286,685	\$0	\$286,685
18	OT/SP	112	\$0	\$0	\$0
19	BENEFITS	113	\$84,041	\$0	\$84,041
20	TRAVEL/MILE	220	\$4,500	\$0	\$4,500
21	CONT. SERV.	230	\$44,820	\$0	\$44,820
22	OFF. RENTAL	233	\$0	\$0	\$0
23	SUP. & MAT.	240	\$4,780	\$0	\$4,780
24	EQUIPMENT	250	\$0	\$0	\$0
25	WRK. COMP.	270	\$0	\$0	\$0
26	DRUG TEST	271	\$0	\$0	\$0
27	SUBGRANT	280	\$0	\$0	\$0
28	MISC	290	\$35	\$0	\$35
29	POWER	361	\$0	\$0	\$0
30	WATER/SEWER	362	\$0	\$0	\$0
31	PHONE/TOLL	363	\$2,574	\$0	\$2,574
32	CAP. OTLY.	450	\$0	\$0	\$0

1 **230-\$10,000; 240-\$10,000; 250-\$33,024)**

2 **SUMMARY OF BASE OPERATIONAL APPROPRIATION FUNDING SOURCE**

3 GENERAL FUND	\$23,323,843
4 FEDERAL MATCHING GRANTS-IN-AID	\$0
5 SPECIAL FUNDS	<u>\$2,081,524</u>
6 TOTAL	\$25,405,367”

7 **Section 5. Appropriations to Retirees for Supplemental Annuity Benefits**
8 **and for Other Costs.** Section 2 (a) of Chapter XI of Public Law 30-196, is hereby
9 *amended* to read:

10 “(a) The sum of ~~Eleven Million Three Hundred Seventy Five Thousand Dollars~~
11 ~~(\$11,375,000)~~ Eleven Million Six Hundred Ninety Six Thousand Three Hundred
12 Three Dollars (\$11,696,303) is appropriated from the General Fund to the
13 Supplemental Annuity Benefits Special Fund for Fiscal Year 2011 for direct
14 payments to government of Guam retirees who retired *prior* to October 1, 1995,
15 or their survivors, for the continuing payment of Four Thousand Two Hundred
16 Thirty Eight Dollars (\$4,238) per year in supplemental annuity benefits,
17 consisting of the sums of One Thousand Two Hundred Dollars (\$1,200), One
18 Thousand Five Hundred Dollars (\$1,500), Seven Hundred Dollars (\$700), and
19 Eight Hundred Thirty Eight Dollars (\$838) in annual benefits authorized by
20 various General Appropriation Acts.”

21 **Section 6. Appropriation for Retirees’ Medicare Premiums.** Section 2 (h)
22 of Chapter XI of Public Law 30-196, is hereby *amended* to read:

23 “(h) For Fiscal Year 2011, the sum of ~~Seven Hundred Two Thousand Dollars~~
24 ~~(\$702,000)~~ Nine Hundred Eighty Seven Thousand Dollars (\$987,000) is
25 appropriated from the General Fund to the GGRF to pay the cost of Medicare

1 from the General Fund to the Health Benefit Fund administered by the Department of
2 Administration. This appropriation shall supplement the cost of the government of
3 Guam's contribution for Health, Life and Dental Insurance premiums under the
4 Government of Guam's Health Insurance Plan for Fiscal Year 2011, pursuant to the
5 appropriations made under the respective departments'/agencies' Central Cost Accounts
6 provided in Public Law 30-196, as amended by Public Law 30-224.

7 **Section 10. Appropriation to Utility Bank Fund.** The sum of One Million
8 Three Hundred Ten Thousand Dollars (**\$1,310,000**) is appropriated from the General
9 Fund to the Utility Bank Fund as administered by the Department of Administration.
10 This appropriation shall supplement the funding provided for Water/Sewer requirements,
11 made under the respective departments'/agencies' Central Cost Accounts provided in
12 Public Law 30-196, as amended by Public Law 30-224.

13 **Section 11. Appropriation to Guam Police Department for Payment of**
14 **Prior Year Overtime.** Notwithstanding any other provision of law, the sum of Three
15 Hundred Thirty Eight Thousand Four Hundred Ninety Three Dollars (**\$338,493**) is
16 appropriated from the General Fund to the Guam Police Department for the payment of
17 prior year overtime incurred and owed to police officers in Fiscal Year 2010.

18 **Section 12. Appropriation to Department of Corrections for Payment of**
19 **Prior Year Overtime.** Notwithstanding any other provision of law, the sum of One
20 Million Six Hundred Eighty Five Thousand Eight Hundred Thirty Five Dollars
21 (**\$1,685,835**) is appropriated from the General Fund to the Department of Corrections for
22 the payment of prior year overtime incurred and owed to correction officers in Fiscal
23 Year 2010.

1 **b)** The sum of One Hundred Thousand Dollars **(\$100,000)** for Improving
2 Statistical Data Management through Information Technology Project which
3 will address Guam’s current fragmented data management and information
4 systems by developing an integrated data framework and strategic plan that
5 will lead toward the establishment of the Guam data bank.

6 **c)** The unexpended balance of the appropriation made under this Section *shall*
7 *not* revert to the General Fund and *shall* be available until fully expended for
8 the original purposes of said appropriation.

9 **Section 15. Appropriation to the Department of Revenue and Taxation for**
10 **E-Filing.** The sum of Four Hundred Thousand Dollars **(\$400,000)** is appropriated from
11 the General Fund to the Department of Revenue and Taxation for the implementation of
12 the Electronic Filing Program. The unexpended balance of the appropriation made under
13 this Section *shall not* revert to the General Fund and *shall* be available until fully
14 expended for the original purposes of said appropriation.

15 **Section 16. Appropriation to the Department of Education.** The sum of
16 One Million Three Hundred Thousand Dollars **(\$1,300,000)** is appropriated from the
17 General Fund to the Department of Education to supplement its operations for Fiscal
18 Year 2011.

19 **Section 17. Appropriation for COLA Interest Payments.** The sum of One
20 Million Dollars **(\$1,000,000)** is appropriated from the General Fund to the Government
21 of Guam Retirement Fund for partial payment of the Cost of Living Allowance (COLA)
22 judgment interest liability to retirees pursuant to *Rios vs. Camacho*, SP0206-93.

1 bonds, shall be deposited into the General Fund and shall be made available for the
2 appropriations contained in this Act.

3 **Section 22.** Notwithstanding any other provision of law, upon receipt of the
4 reimbursement of One Million Dollars (**\$1,000,000**) from the Bond Reserve Fund for the
5 Limited Obligation Infrastructure Improvement Bonds, 1997 Series A, such funds shall
6 be deposited into the General Fund and shall be made available for the appropriations
7 contained in this Act.

8 **Section 23.** Notwithstanding any other provision of law, the sum of Two
9 Million One Hundred Thousand Dollars (**\$2,100,000**) is hereby appropriated from the
10 Autonomous Agency Collections Fund to the General Fund for the appropriations made
11 in this Act.

12 **Section 24. Authorization for Payment of Prior Year Obligation to Guam**
13 **Memorial Hospital Authority (GMHA).** Notwithstanding any other provision of law,
14 the following line departments and agencies are hereby authorized to pay its prior year
15 obligations to GMHA from its Fiscal Year 2011 appropriations as follows:

16	a. Department of Corrections	\$2,382,272
17	b. Guam Department of Education	\$17,009
18	c. Department of Labor	\$139,928
19	d. Department of Youth Affairs	\$16,807
20	e. Customs and Quarantine Agency	\$2,689
21	f. Guam Fire Department	<u>\$88,697</u>
22	Total	\$2,647,402

1 withdrawn as cash becomes available. *I Maga'lahren Guåhan* shall submit a
2 report to the Speaker of *I Liheslaturan Guåhan* on the fifth (5th) day of every
3 month on all transfers made pursuant to this Section. Said report *shall* enumerate
4 the amount of each transfer, identify the funds to and from which the transfer was
5 made and state the purpose of each transfer. Unless otherwise restricted or
6 specifically allowed by this Act, for FY 2011 *I Maga'lahren Guåhan* is authorized
7 to transfer ~~up to fifteen percent (15%)~~ between object categories within an agency
8 Fiscal Year 2011 Special Fund base operational (*except* the utility funds)
9 appropriations contained in Chapter V and in Parts II, III and IV of Chapter III of
10 this Act; provided that notice of each transfer and justification therefore are
11 delivered within fifteen (15) working days after the transfer is made to the
12 Speaker of *I Liheslaturan Guåhan* and the Office of Finance and Budget.”

13 **Section 29.** Section 3 (c) (5) of Chapter I of Public Law 30-196, is hereby
14 *amended* to read:

15 “(5) *No less than* fifty percent (50%) of all ACTC reimbursements *shall* be
16 deposited directly into the Income Tax Refund Efficient Payment Trust Fund (Fund), of
17 Chapter 51, Title 11, Guam Code Annotated, and applied to 2008 and prior A Status
18 returns. Interest earned in the Fund may be used to hire seasonal employees to assist with
19 income tax processing- and to hire employees in revenue generating programs.”

20 **Section 30. Severability.** *If* any provisions of this Act or its application to any
21 person or circumstances is held invalid, the invalidity shall *not* affect other provisions or
22 applications of this Act which can be given effect without the invalid provision or
23 application, and to this end the provisions of this Act are severable.