

I MINA'BENTE OCHO NA LIHESLATURAN GUÅHAN
2006 (SECOND) Regular Session

Bill No. 345 (EC)

Introduced by:

Edward J. B. Calvo 

Larry F. Kasperbauer 

Mark Forbes 

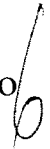
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AN ACT MAKING APPROPRIATIONS FOR THE OPERATIONS OF THE GUAM PUBLIC SCHOOL SYSTEM, THE UNIVERSITY OF GUAM, THE GUAM COMMUNITY COLLEGE, THE GUAM EDUCATIONAL TELECOMMUNICATIONS CORPORATION (KGTF) AND THE GUAM PUBLIC LIBRARY SYSTEM FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2007; TO ADD SECTION 22435 TO CHAPTER 22 OF TITLE 5 GUAM CODE ANNOTATED; TO AMEND SUBSECTION (1) OF SECTION 22425 OF TITLE 5 GUAM CODE ANNOTATED RELATIVE TO AUTHORIZING *IMAGA'LAHEN GUÅHAN* TO ISSUE GOVERNMENT OF GUAM GENERAL OBLIGATION BONDS FOR THE PURPOSE OF REFINANCING CERTAIN GENERAL FUND OBLIGATIONS AND FINANCING CERTAIN CAPITAL EXPENSE ITEMS AND CAPITAL IMPROVEMENTS OF THE GUAM PUBLIC SCHOOL

SYSTEM AND THE UNIVERSITY OF GUAM AND FOR
OTHER PURPOSES.

1 BE IT ENACTED BY THE PEOPLE OF GUAM:

2 CHAPTER I.

3 GENERAL PROVISIONS.

4 Section 1. Short Title. This Act shall be known as the “*Local*
5 *Education Agencies and Related Needs (LEARN) Budget Act of Fiscal Year*
6 *2007*”. Except as otherwise provided by this Act, the appropriations made
7 herein shall be available to pay for obligations incurred on or after October
8 1, 2006, *but no later* than September 30, 2007 for Fiscal Year 2007. If any
9 appropriation in this Act is found to violate Federal law, all portions not so
10 found shall remain in full force and effect.

11 Section 2. FISCAL YEAR 2007 Revenue Forecast. *I Liheslaturan*
12 *Guåhan*, the Guam Legislature, adopts the following revenue forecast for
13 Fiscal Year 2007.

14 I. GENERAL FUND

15 A. TAXES

16	Corporate	\$72,016,062
17	Individual	\$36,072,810
18	Withholding Taxes, Interest	
19	and Penalties	\$180,738,597
20	Provision for Tax Refunds and EITC	(\$75,600,000)
21	TOTAL INCOME TAXES	\$213,227,469

1	Gross Receipts Tax	\$179,168,280
2	Other Taxes	\$2,948,480
3	TOTAL TAXES	\$395,344,229
4	B. FEDERAL SOURCES	
5	Federal Income Tax Collection	
6	(Section 30 Funds), Immigration	
7	Fees and Indirect Costs	\$57,961,358
8	C. USE OF MONEY AND PROPERTY	\$1,042,582
9	D. LICENSES, FEES, AND PERMITS	\$1,567,193
10	E. DEPARTMENT CHARGES	\$1,617,856
11	TOTAL GENERAL FUND	\$457,533,218
12		
13	II. SPECIAL FUNDS	
14	A. Air Pollution Control Special Fund	\$221,182
15	B. Chamorro Land Trust Operations Fund	\$492,266
16	C. Corrections Revolving Fund	\$1,539,134
17	D. Customs, Agriculture and Quarantine	
	Inspection Services Fund	\$8,167,484
18	E. Enhanced 911 Emergency System	
19	Reporting Fund	\$2,082,787
20	F. Environmental Health Fund	\$497,710
21	G. Guam Contractors License Board Fund	\$334,901
22	H. Guam Environmental Trust Fund	\$191,812

1	I.	Guam Highway Fund	\$15,324,872
2	J.	Guam Plant Inspection and Permit Fund	\$44,507
3	K.	Healthy Futures Fund	\$10,665,466
4	L.	Judicial Building Fund	\$20,000
5	M.	Land Survey Revolving Fund	\$950,000
6	N.	Manpower Development Fund	\$148,485
7	O.	Police Services Fund	\$370,084
8	P.	Professional Engineers, Architects	
9		and Land Surveyors Board Fund	\$201,825
10	Q.	Public Recreation Services Fund	\$154,717
11	R.	Safe Streets Fund	\$196,000
12	S.	School Lunch/SAE/Child Nutritional Meal	
13		Reimbursement Fund	\$6,500,000
14	T.	Solid Waste Operations Fund (Tipping Fees)	\$5,822,582
15	U.	Street Lights Fund	\$3,912,927
16	V.	Territorial Education Facilities Fund	\$20,280,840
17	W.	Tourist Attraction Fund	\$23,100,000
18	X.	Water Protection Fund	\$54,242
19	Y.	Water Research & Development Fund	\$79,518
20		TOTAL SPECIAL FUNDS	\$101,353,341

1	III. FEDERAL MATCHING GRANTS-IN-AID	
2	A. Agriculture	\$560,565
3	B. Guam Council on the Arts and	
4	Humanities Agency	\$237,600
5	C. Guam Election Commission	\$700,000
6	D. Guam Police	\$546,918
7	E. Integrated Services for Individuals	
8	with Disabilities	\$2,052,208
9	F. Judiciary of Guam	\$311,926
10	G. Labor	\$33,100
11	H. Law (AG)	\$4,205,679
12	I. Military Affairs	\$839,150
13	J. Public Health and Social Services	\$22,346,660
14	K. University of Guam	\$1,508,000
15	TOTAL FEDERAL MATCHING GRANTS-IN-AID	\$33,341,806

16

17 **REVENUE SUMMARY:**

18	General Fund	\$457,533,218
19	Special Funds	\$101,353,341
20	Federal Matching Grants-in-Aid	\$33,341,806
21	GRAND TOTAL	\$592,228,365

1 **Section 3. Debt Service Continuing Appropriations.** The
2 following are continuing appropriations for debt service requirements:

3 A. GENERAL OBLIGATION

4 BONDS 1993 SERIES A

5 *(For education capital projects; Real*

6 *Property Taxes pledged; due FY 2018*

7 *as final year; P.L. 22-19 and P.L. 22-24,*

8 *net of UOG Bond Payment Obligation \$2,027,776)*

9 **Territorial Education Facilities Fund** **\$10,598,839**

10 B. LIMITED OBLIGATION HIGHWAY

11 REFUNDING BONDS 2001 SERIES A

12 *(P.L. NO. 24-70; due FY 2012 as the final*

13 *year; source of payment from Liquid Fuel*

14 *Taxes)*

15 **Guam Highway Fund** **\$6,026,863**

16 C. LIMITED OBLIGATION (SECTION 30)

17 BONDS, 2001 SERIES A

18 *(Water System Revenue Bond;*

19 *P.L. No. 26-58, amended by P.L. No.*

20 *25-59; Section 30 funds pledged; due FY*

21 *2012 as final year)*

22 **Section 30 Funds** **\$9,822,208**

1	D.	2002 SHORT TERM FINANCING	
2		<i>(Line of Credit; P.L. 26-84 amended by P.L.</i>	
3		<i>26-122 and P.L. 26-130; due FY 2012 as the</i>	
4		<i>Final Year; source of payment Section 30</i>	
5		<i>Funds)</i>	\$ 1,281,818
6	E.	LIMITED OBLIGATION	
7		INFRASTRUCTURE IMPROVEMENT	
8		BONDS, 1997 SERIES A	
9		<i>(Tumon Redevelopment; payment from</i>	
10		<i>the Tourist Attraction Fund, pursuant to</i>	
11		<i>P.L. 24-111)</i>	
12		Tourist Attraction Fund	\$ 7,255,789
13		TOTAL DEBT SERVICE	\$34,985,517

14 **Section 4. Advance Appropriations against FY 2007 Revenues.**

15 The following are advance appropriations against Fiscal Year 2007
 16 Revenues pursuant to P.L. 28-68 and P.L. 28-131.

17	A.	GUAM PUBLIC SCHOOL SYSTEM -	
18		TEXTBOOKS <i>(Appropriated from the</i>	
19		<i>General Fund in P.L. 28-68, Chapter II,</i>	
20		<i>Part I, Section 8(a))</i>	\$3,500,000
21	B.	GUAM MEMORIAL HOSPITAL	
22		AUTHORITY - MEDICAL	
23		EQUIPMENT AND CAPITAL	

1	IMPROVEMENT PROJECTS	
2	<i>(Appropriated from the General Fund in</i>	
3	<i>P.L. 28-68, Chapter II, Part III, Section 25)</i>	\$7,800,000
4	C. HEALTHY FUTURES FUND <i>(From the</i>	
5	<i>General Fund to reimburse the Healthy</i>	
6	<i>Futures Fund appropriated to the Mayors'</i>	
7	<i>Council in P.L. 28-131, Section 1)</i>	\$12,000
8	TOTAL ADVANCE APPROPRIATIONS	\$11,312,000

1 shall create and submit to the Speaker of *I Liheslaturan Guåhan*, *I*
2 *Maga'lahren Guåhan* and the Director of Administration projected
3 schedules of monthly cash disbursement for each school and division
4 for the fiscal year. Such projected disbursements shall not exceed the
5 total amount appropriated by *I Liheslaturan Guåhan* for the purpose of
6 such appropriation. The Public Auditor shall approve the schedules.
7 The Director of Administration shall deposit, on the last day of each
8 month, a sum equal to the amount required by the projected
9 schedules of cash disbursement prepared by the Superintendent,
10 into the Guam Public School System Operations Fund, *except* that the
11 Director of Administration for the first (1st) month of the fiscal year,
12 on the first Friday of October, shall make a deposit equal to the
13 amount required for the first month of the fiscal year, as reflected in
14 the Guam Public School System's projected monthly schedules of
15 cash disbursements, from the prior month's General Fund revenue
16 collections. The Director of Administration shall, on the first (1st) day
17 of each month, transfer to the Guam Public School System all funds
18 held in the Guam Public School System Operations Fund, *except* that
19 for the first (1st) month of Fiscal Year 2007, on October 15, 2006, the
20 Director of Administration shall transfer all funds contained in the
21 Guam Public School System Operations Fund to the Guam Public
22 School System.

1 Before releasing the appropriation allotment to any government
2 entity other than the Guam Public School System or from any other
3 appropriation, the Director of the Bureau of Budget and Management
4 Research shall *first* ensure that the Director of Administration has
5 deposited the monthly cash requirement of the Guam Public School
6 System into the Guam Public School System Operations Fund.

7 Nothing herein shall be construed as preventing *I Liheslaturan*
8 *Guåhan* from making additional appropriations to the Guam Public
9 School System. *I Maga'lahren Guåhan's* transfer authority shall *not*
10 apply to this or any other appropriation to the Guam Public School
11 System, *except that I Maga'lahren Guåhan* may transfer funds into the
12 Guam Public School System to the extent permitted by law. *I*
13 *Maga'lahren Guåhan* may transfer to the Guam Public School System
14 funds in excess of the amounts appropriated to the Guam Public
15 School System herein if he determines that an emergency has created
16 a need for such a transfer. ”

17 **Section 2. Funding for the Guam Public School System for FY**
18 **2007.** The amounts, in the Subsections below, totaling One Hundred
19 Eighty-four Million Three Hundred Forty-six Thousand Four Hundred
20 Sixty-six Dollars (**\$184,346,466**) are made from the following Funds, and for
21 the following purposes, to the Guam Public School System for Fiscal Year
22 2007:

1 **A. Guam Public School System Operations Fund Appropriation.**

2 Pursuant to Sections 52101 and 52102 of Chapter 52, Division 2 of Title 11
3 Guam Code Annotated, as amended by this Act, the sum of One Hundred
4 Seventy-two Million Nine Hundred Fifty-seven Thousand Eight Hundred
5 Four Dollars (**\$172,957,804**), inclusive of the estimated Sixteen Million One
6 Hundred Twenty-three Thousand Nine Hundred Thirty-five Dollars
7 (\$16,123,935) for the implementation of teacher salary adjustments
8 pursuant to Public Law 28-36, as amended by Section 26 of Part I of
9 Chapter II of Public Law 28-68, based on the fourteen percent (14%) teacher
10 salary adjustments recommended by the Department of Administration, is
11 appropriated from the General Fund to the Guam Public School System
12 Operations Fund for Fiscal Year 2007.

13 **B. Interscholastic Sports Fund.** For Fiscal Year 2007, the sum of
14 Five Hundred Nine Thousand Two Hundred Forty-six Dollars (**\$509,246**) is
15 appropriated from the Healthy Futures Fund to the Interscholastic Sports
16 Fund within the Guam Public School System to fund Interscholastic Sports
17 Programs. Expenditure of these funds will comply with Title 17 GCA
18 §7108.

19 **C. Health and Physical Education Activities.** For Fiscal Year
20 2007, the sum of Three Hundred Twenty Four Thousand Four Hundred
21 Sixteen Dollars (**\$324,416**) is appropriated from the Healthy Futures Fund
22 to the Guam Public School System for Health/Physical Education
23 programs, intramural sports, and similar activities.

1 **D. *Y Kuantan Salappe' Prinsepat (Principals' Fund).***

2 (i) The sum of Five Hundred Fifty Five Thousand Dollars
3 **(\$555,000)** is hereby appropriated from the General Fund to the Guam
4 Public School System for the Principals' Fund for Fiscal Year 2007. The
5 amount appropriated herein shall be allocated per student to each school,
6 based on the student population of each school at the end of the prior
7 school year; provided that no school shall receive less than Five Thousand
8 Dollars (\$5,000).

9 (ii) Any unreleased and unexpended appropriations
10 made by Section 5 of Part I of Chapter II of Public Law 28-68 may be
11 expended in Fiscal Year 2007.

12 **E. School Nutritional Meals.** Up to Six Million Five Hundred
13 Thousand Dollars **(\$6,500,000)** is appropriated from the School
14 Lunch/SAE/Child Nutritional Meal Reimbursement Fund to the Guam
15 Public School System for non-personnel operating expenses incurred in
16 accordance with established guidelines for said programs.

17 **F. Appropriation to the Guam Public School System for**
18 **Summer School.** For Fiscal Year 2007, there is hereby appropriated such
19 sums as are necessary from the Summer School Fund established pursuant
20 to §6119 of Article 1 of Chapter 6 of Division 1 of Title 17 Guam Code
21 Annotated, to the Guam Public School System to fund the operations of the
22 2007 Summer School Program. The Superintendent of Education shall
23 submit a detailed report to *I Maga'lahaen Guåhan* and the Speaker of *I*

1 *Liheslaturan Guåhan* regarding the receipt and expenditure of said funds *no*
2 *later than* thirty (30) days after the close of summer school and post the
3 same on the website. Such report shall include the following:

4 (i) total revenues received, including identification of
5 each revenue source;

6 (ii) total expenditures and encumbrance by object
7 classification and by school; and

8 (iii) the fund balance.

9 **G. Appropriation for Textbooks and Collateral Materials.** The
10 following are appropriations to the Guam Public School System for the
11 purchase of textbooks, e-book readers and collateral materials to include
12 software, sheet music and music books in accordance with the conditions
13 and terms expressed in the following subsections:

14 (i) For Fiscal Year 2007, the sum of Three Million Five
15 Hundred Thousand Dollars (**\$3,500,000**) is appropriated from the General
16 Fund from Fiscal Year 2008 revenues to the Guam Public School System
17 (Public Schools) for the purchase of textbooks, e-book readers and
18 collateral classroom instructional materials to include software, sheet music
19 and music books. The Superintendent may, *if* necessary, in agreements
20 with textbook vendors, defer payment until *after* October 1, 2007, but *not*
21 *later than* December 31, 2007, with the full faith and credit of the
22 government of Guam.

1 (ii) Public Schools shall order all textbooks, e-book
2 readers and collateral classroom instructional materials to include
3 software, sheet music and music books funded by this Section *no later than*
4 March 1, 2007 for Fiscal Year 2008, and the Bureau of Budget and
5 Management Research shall release such allotments as are required to
6 ensure that such textbooks, e-book readers and collateral classroom
7 instructional materials to include software, sheet music and music books
8 are ordered by this deadline. All textbooks and collateral classroom
9 instructional materials to include software, sheet music and music books
10 shall be received and distributed to schools *no later than* thirty (30) days
11 prior to the start of the school calendar established pursuant to Title 17
12 Guam Code Annotated §4111, as repealed and reenacted by this Act. All
13 funds appropriated for textbooks, e-book readers and collateral classroom
14 instructional materials to include software, sheet music and music books
15 shall *not* be used for any other purpose.

16 (iii) For Fiscal Year 2007, on the first (1st) day of each
17 fiscal quarter, the Superintendent of Education shall provide a detailed
18 report to *I Maga'lahaen Guåhan* and the Speaker of *I Liheslaturan Guåhan* on
19 all receipts and expenditures for textbooks, e-book readers and collateral
20 classroom instructional materials to include software, sheet music and
21 music books. The report shall be accompanied by the certified list of
22 textbooks approved by the Guam Education Policy Board and all purchase

1 orders issued. The report shall be posted on the Public School's website.

2 The report shall include summaries of the following information:

3 (a) purchases by allotment account number, unit cost
4 and total cost of books charged against appropriation
5 account, vendor, quantity, title, copyright date and ISBN
6 number of books ordered, allocation of such books by
7 school and grade, and statements as to whether books are
8 for teachers or students and whether books are textbooks
9 or e-books;

10 (b) the number of textbooks and e-book readers lost or
11 damaged, the amounts collected for such lost or damaged
12 items and the amount of receivables due for such lost or
13 damaged items for the preceding fiscal year and the
14 current fiscal year by month; and

15 (c) other information that may be useful, or requested
16 by *I Liheslaturan Guåhan*, regarding the accountability of
17 funds appropriated for such purposes.

18 Non-compliance with reporting requirements by the Superintendent of
19 Education shall result in sanctions/penalties imposed pursuant to this Act.

20 **Section 3.** Title 17 GCA §3112(a)(6) is hereby repealed.

1 **Section 4.** Title 17 GCA §4111 is repealed and reenacted to read:

2 **“§4111. Establishment of School Year. (a)** The Superintendent of
3 Education shall, in accordance with 1 GCA §715 item 12. (m), establish a
4 school calendar.

5 **(b)** Regardless of the payroll system used, the annual salary
6 of a school year employee shall be payable only for
7 service during a school year notwithstanding its
8 beginning or ending date.

9 **(c)** Regardless of the payroll system used, for the purposes of
10 incidents of employment, e.g. sick leave and insurance
11 benefits, school year employees shall be deemed to be
12 employed on the same two thousand eighty (2,080) hour
13 year divided into twenty-six (26) biweekly pay periods as
14 other permanent positions within the Government even
15 though such employees may be paid in accordance with a
16 different payroll system.”

17 **Section 6. Website Posting.** The Guam Public School System shall
18 include in its website the following:

19 (1.) All payments for prior year obligations to be paid by current
20 appropriation, salary adjustments by position and the
21 funding source for each, by month.

22 (2.) Cash Disbursement Schedules created pursuant to this Act.

- 1 (3.) Number of filled FTEs, cost and funding source by school
- 2 and/or division by month.
- 3 (4.) Number of vacant FTEs, cost and funding source by school
- 4 and/or division by month.

1 Thirty-five Thousand Six Hundred Seventy Dollars **(\$2,535,670)** is
2 appropriated from the General Fund to the University of Guam for Fiscal
3 Year 2007 to be expended for the following student scholarships, financial
4 assistance programs and program administrations: Merit Awards, Student
5 Loans, Nurse Training Programs, Professional and Technical Awards,
6 Reserve Officer Training Corps ("ROTC"), Regent Scholarships, Marine
7 Lab Graduates Assistance Programs, Early High School Admission
8 Programs, Pedro "Doc" Sanchez Scholarship Programs, John F. Quan
9 Memorial Scholarship Program and administration of all student financial
10 assistance programs. The President of the University of Guam shall allocate
11 this appropriation in order to fund student scholarships, financial
12 assistance programs and program administration.

13 **(b) Dr. Antonio C. Yamashita Educator Corps.** The sum of
14 One Million Three Hundred Fourteen Thousand Six Hundred Ninety-six
15 Dollars **(\$1,314,696)** is appropriated from the General Fund to the
16 University of Guam for Fiscal Year 2007, which shall disburse the funds
17 pursuant to the directives and policies of the Educator Corps Council, for
18 stipends for the Dr. Antonio C. Yamashita Educator Corps and for the
19 administration of the Educator Corps Council, in accordance with the
20 provisions of Public Law 24-231, and §15107 of Title 17 of the Guam Code
21 Annotated, as *amended*.

22 **E. Appropriation for Aquaculture Development and Training**
23 **Center.** The sum of One Hundred Forty Thousand Dollars **(\$140,000)** is

1 appropriated from the General Fund to the University of Guam (“UOG”)
2 for Fiscal Year 2007 for the *sole* purpose of funding the continued
3 operations of the Aquaculture Development and Training Center. Such
4 funds shall *not* be transferred or used for any other purpose.

5 **F. Guam Hydrologic Survey.** The sum of Two Hundred Four
6 Thousand Two Hundred Dollars (**\$204,200**) is appropriated for Fiscal Year
7 2007 from the General Fund to the University of Guam (“UOG”) to fund
8 the Water and Environmental Research Institute of the Western Pacific
9 (“WERI”) for the *sole* purpose of funding the Guam Hydrologic Survey
10 (“GHS”). WERI shall continue to administer the GHS for the same
11 purposes that have previously been established by the laws of Guam. Such
12 funds shall *not* be transferred or used for any other purpose.

13 **G. Comprehensive Water Resource Monitoring Program.** The
14 sum of One Hundred Seventy-three Thousand Nine Hundred Forty-eight
15 Dollars (**\$173,948**) is appropriated for Fiscal Year 2007 from the General
16 Fund to the University of Guam (“UOG”) to fund the Water and
17 Environmental Research Institute of the Western Pacific (“WERI”). Such
18 funds shall be used for the *sole* purpose of matching the Federal funding for
19 the Comprehensive Water Resource Monitoring Program. WERI shall
20 continue to administer the Comprehensive Water Resource Monitoring
21 Program for the same purposes that have previously been established by
22 the laws of Guam. Such funds shall *not* be transferred or used for any
23 other purpose.

1 **H. University of Guam for the College of Natural and Applied**
2 **Sciences.** The sum of Ninety Thousand Dollars (**\$90,000**) is appropriated
3 from the General Fund for Fiscal Year 2007 to the University of Guam for
4 the College of Natural and Applied Sciences which shall be divided equally
5 between the Northern and Southern Soil and Water Conservation District
6 Programs. Such funds shall *not* be transferred or used for any other
7 purpose.

8 **I. University of Guam for KPRG (Public Radio).** The sum of
9 One Hundred Thousand Dollars (**\$100,000**) is appropriated from the
10 General Fund to the University of Guam for KPRG (Public Radio)
11 operations for Fiscal Year 2007.

12 **J. University of Guam for Hero Scholarship Program.** The sum
13 of Twenty Thousand Dollars (**\$20,000**) is appropriated from the Judicial
14 Building Fund to the University of Guam to be expended for the Hero
15 Scholarship Program for Fiscal Year 2007. Said funds shall *not* be
16 transferred or used for any other purpose.

17 **Section 2. Program Revenue and Expenditure Reports.** Beginning
18 in Fiscal Year 2007, thirty days after the close of each fiscal quarter, the
19 President of the University of Guam shall submit separate quarterly
20 revenue and expenditure reports to *I Maga'lahren Guåhan* and the Speaker of
21 *I Liheslaturan Guåhan* for the Aquaculture Development and Training
22 Center, WERI Guam Hydrologic Survey, WERI Comprehensive Water
23 Resource Monitoring Program, Northern and Southern Soil and Water

1 Conservation Districts Programs and KPRG. Such reports shall be in the
2 format of basic financial statements or as may be prescribed by *I*
3 *Liheslaturan Guåhan* and shall be posted on the University of Guam's
4 website.

5 **Section 3. Program ANNUAL Reports.** Beginning in Fiscal Year
6 2007, the President of the University of Guam shall submit separate annual
7 reports for the following programs and activities to *I Maga'lahren Guåhan*
8 and the Speaker of *I Liheslaturan Guåhan*: Aquaculture Development and
9 Training Center, WERI Guam Hydrologic Survey, WERI Comprehensive
10 Water Resource Monitoring Program, Northern and Southern Soil and
11 Water Conservation Districts Programs and KPRG. At a minimum, such
12 reports shall include the following: program mission, goals, objectives,
13 sources of revenue, expenditures by budget object classification, number of
14 employees, contracts and program accomplishments in the fiscal year
15 reported. Such Annual Reports shall be posted on the University of
16 Guam's website.

17 **Section 4. Scholarships, Financial Assistance and other Reports.**
18 Beginning with Fiscal Year 2007, sixty days after the close of the fiscal year,
19 the President of the University of Guam shall submit, and post on the
20 University of Guam's website, a report of expenditures from
21 appropriations made in this Act, for student scholarships, student financial
22 assistance, the Dr. Antonio C. Yamashita Educator Corps and the Educator
23 Corp Council. Such report shall be submitted to *I Maga'lahren Guåhan* and

1 the Speaker of *I Liheslaturan Guåhan* and shall include information, for the
2 applicable program reported, on the number of scholarships or loans
3 issued, the date the scholarship or loan was awarded, the name of the
4 scholarship or loan recipient, the anticipated date of recipient's graduation,
5 the amount of each recipient's award or loan, amount of each loan repaid
6 to date, and the balance of each loan.

1 Hundred Forty Dollars (**\$103,940**) is appropriated from the Manpower
2 Development Fund to the Guam Community College for the Guam
3 Community College Apprenticeship Program for Fiscal Year 2007.

4 The President of the Guam Community College shall submit
5 Quarterly Reports to *I Maga'lahaen Guåhan* and the Speaker of *I Liheslaturan*
6 *Guåhan* thirty days after the close of each quarter beginning in Fiscal Year
7 2007 and post such report on the Guam Community College's website.
8 Such reports shall include, but is not limited to, the number of participants
9 in each applicable program, the amounts expended from this appropriation
10 by object classification, description of the program, the academic courses
11 offered, and the requirements for participation in the program.

1 (a) Fifteen (15) days after the report's due date, *I Maga'lahi*,
2 through the Bureau of Budget and Management Research, shall notify the
3 responsible line Department/Agency Head of any non-compliance and the
4 imminent deappropriation of funds.

5 (b) Fifteen (15) days after the report's due date, the Head or
6 Chairperson of all applicable governing Councils, Boards and
7 Commissions shall notify the responsible reporting Official listed in this
8 Section of non-compliance with reporting requirements and the imminent
9 deappropriation of funds.

10 Failure of the officials designated in Sections 2(a) and (b) herein to
11 notify reporting officials of non-compliance shall not nullify or reverse the
12 deappropriation.

13 **Section 3. Deappropriation of Funds.** Failure to comply with
14 reporting requirements mandated by this Act, after the forty-fifth (45th) day
15 from the report's due date, shall result in the automatic deappropriation of
16 funds of five percent (5%) of each appropriation made to the non-
17 compliant entity for each of the following requirements not met:

- 18 1. providing a written report;
- 19 2. providing an electronic format of the report;
- 20 3. posting on the website of the report.

21 This Section shall *not* apply when the island is declared to be in the
22 Condition of Readiness One or when *I Maga'lahi* has declared a state of
23 emergency. The Public Auditor shall certify the deappropriation and report

1 it to *I Maga'lahen Guåhan* and the Speaker of *I Liheslaturan Guåhan*. The
2 Bureau of Budget and Management Research shall adjust the
3 appropriation/allotment to effectuate any deappropriation and submit a
4 report of such deappropriation(s) along with copies of the
5 appropriation/allotment modification to the Speaker of *I Liheslaturan*
6 *Guåhan*.

7 **Section 4. Repair of Musical Instruments.** From the funds
8 appropriated for the Public Schools' operations by this Act, the sum of
9 Eight Thousand Five Hundred Dollars (\$8,500) shall be used for the repair
10 of musical instruments for band and music classes and programs.

11 **Section 5. Re-Codification of Scholarships.** The Compiler of Laws
12 shall transfer and re-codify the statutes creating scholarship programs
13 contained in Chapters 19, 22 and 25 of 17 GCA to Chapter 15 of 17 GCA,
14 "Student Financial Assistance Programs"

15 **Section 6. Interest Computation on financial assistance for**
16 **awards after September 30, 2006.** A new Section 15112 is hereby added to
17 17 GCA, Chapter 15, Article 1 to read as follows:

18 **§15112. Interest Computation On Financial Assistance**
19 **Awarded After September 30, 2006 For Cash (Non-Service Credit)**
20 **Repayments.** Notwithstanding any provision of this Chapter,
21 interest on all awards of assistance for programs made, after
22 September 30, 2006 pursuant to the provisions of this Chapter, shall
23 be computed on the outstanding balance on a simple interest basis

1 beginning on the date of disbursement of the assistance at an annual
2 percentage rate of Ten Percent (10%). Repayment shall be made in
3 either a lump sum by which the principal and accrued interest up to
4 the date of repayment is satisfied or through a periodic payment plan
5 under the following conditions:

6 (1) The awardee can amortize the combined balance of
7 principal and accrued interest balances over a specified
8 term at an annual percentage rate of Ten Percent (10%),

9 (2) The period for repayment shall not exceed ten (10) years,
10 and

11 (3) All awardees choosing to repay assistance in cash in lieu of
12 service credit must pay all accrued interest before any
13 payments are applied to the principal of the debt.

14 Repayment of awards made prior to September 30, 2006 shall be
15 made pursuant to the Articles in this Chapter.

16 **Section 7. UOG Clearance required for Doc Sanchez Scholarship**
17 **Recipients upon Separation from Government Service.** A new Section
18 15912 is hereby added to 17 GCA, Chapter 15, Article 9 to read as follows:

19 **§15912. University Of Guam Clearance Required Upon**
20 **Separation.** The heads of all government of Guam agencies and
21 instrumentalities shall require that all employees who have received
22 scholarship assistance under this Article obtain a clearance from the

1 University of Guam prior to separation from the government of
2 Guam. The clearance shall be granted if the recipient has:

- 3 (1) repaid the assistance provided through service credit; or
- 4 (2) repaid the assistance provided; or
- 5 (3) arranged to repay the assistance through a periodic
6 payment plan.

7 The head of the agency or instrumentality shall not authorize
8 the payment of any accrued and payable leave or release of
9 retirement fund contributions until the employee meets one of these
10 conditions.

1 committing Fifty Percent (50%) of any amount in excess of One Hundred
2 Million Dollars (\$100,000,000) received in revenue pursuant to Section 30 of
3 the Organic Act to redeem the bonds.

4 *I Liheslaturan Guåhan* therefore hereby authorizes the issuance of
5 general obligation bonds as provided herein, provides for said bonds to be
6 used to refinance all or a portion of said 1993 Series A Bonds and to finance
7 capital expense items and capital improvement projects of the Guam Public
8 School System and the University of Guam.

9 **Section 2.** A new Section 22435 is hereby added to Chapter 22 of
10 Title 5, Guam Code Annotated, to read as follows:

11 **“§22435. Authorization to Issue Bonds for Refinancing 1993**
12 **Series A Bonds, Capital Expense Items and Capital Improvement**
13 **Projects of School Facilities.**

14 **(a) Authorization of Issuance of Bonds.** *I Maga'lahren*
15 *Guåhan* is authorized to issue one or more series of bonds of the
16 government of Guam as provided in this Section, in an aggregate
17 principal amount necessary to provide proceeds sufficient to fund an
18 escrow for the refinancing of the General Fund obligations listed in
19 subsection (k)(i) and in an aggregate principal amount not to exceed
20 the amount necessary to provide Thirty Five Million Dollars
21 (\$35,000,000) for the payment of the General Fund expenses listed in
22 subsection (k)(ii), and in each case to fund necessary reserves and to
23 pay expenses incurred in connection with the issuance of such bonds

1 not already included in an existing appropriation for or the regular
2 budget of any government agency or instrumentality or public
3 corporation providing any service in connection with the issuance of
4 such bonds; provided, however, that said bonds may not be issued in
5 an amount that would cause a violation of the debt limitation
6 provisions of 48 USC 1423a (§11 of the Organic Act of Guam).

7 **(b) Terms and Conditions Determined by Certificate or**
8 **Indenture.** The terms and conditions of the bonds shall be as
9 determined by *I Maga'lahaen Guåhan* by the execution of a certificate or
10 indenture authorizing the issuance of the bonds upon or prior to the
11 issuance of the bonds; provided, however, that such terms and
12 conditions shall be consistent with this Section, and that the bonds
13 shall mature not later than the year 2028, and shall bear interest at
14 such rates and be sold for such price or prices as shall result in a yield
15 to the bondholders not exceeding six and ninety five hundredths
16 percent (6.95%) per annum.

17 **(c) Valid and Binding General Obligations.** The bonds
18 authorized by this Section shall constitute the valid and binding
19 general obligations of the government of Guam. The government of
20 Guam pledges its full faith and credit for the punctual payment of
21 both principal of and interest on the bonds. There shall be collected
22 annually in the same manner and at the same time as government
23 revenue for other purposes is collected, such sum as is required to

1 pay the principal of and interest on the bonds. All officers charged
2 by law with any duty in the collection of the revenues of the
3 government from which debt service on the bonds will be payable
4 shall do every lawful thing necessary to collect such sum. The
5 validity of any such bonds shall not be affected by the validity or
6 regularity of any proceedings for the payment of the General Fund
7 expenses paid or to be paid with the proceeds of the bonds.

8 **(d) Appropriations from the General Fund.** There is hereby
9 appropriated from the General Fund such sums as will equal in each
10 year the amount of money necessary to pay the principal and interest
11 on such bonds.

12 **(e) Additional Bonds.** Nothing in this Section shall be
13 construed to prevent the government of Guam from issuing, after
14 appropriate enabling legislation, other obligations of the government
15 secured by the general obligation of the government on a parity with
16 or subordinate to the bonds authorized by this Section on such terms
17 as may be provided by the indenture or certificate pursuant to which
18 the bonds are issued. Nothing in this Section shall be construed to
19 prevent the government of Guam from issuing, after appropriate
20 enabling legislation, other obligations of the government secured by
21 Real Property Tax Revenues on a parity with or subordinate to the
22 bonds authorized by this Section on such terms as may be provided

1 by the indenture or certificate pursuant to which the bonds are
2 issued.

3 **(f) Waiver of Immunity; Submission to Jurisdiction.**

4 Notwithstanding any substantive or procedural provision of Chapter
5 6 of Title 5 Guam Code Annotated, the government of Guam waives
6 immunity from any suit or action in contract on the bonds, but does
7 not waive sovereign immunity as to the personal liability of elected
8 officials and employees of the government of Guam. The
9 government hereby submits to jurisdiction of the Federal District
10 Court for the District of Guam for purposes of any such suit or action
11 in contract on the bonds.

12 **(g) No Personal Liability.** No employee or elected official of

13 the government of Guam shall be individually or personally liable for
14 the payment of any amounts due on any bonds issued under this
15 Section, or for any other liability arising in connection with the
16 bonds; provided, however, that nothing in this Section shall relieve
17 any employee or elected official from the performance of any
18 ministerial duty required by law.

19 **(h) Form of Bonds; Covenants; Appointment of Fiduciaries.**

20 The technical form and language of the bonds, including provisions
21 for execution, exchange, transfer, registration, paying agency, lost or
22 mutilated bonds, negotiability, cancellation and other terms or
23 conditions not inconsistent with this Section, including covenants

1 relating to the collection of revenues, shall be as specified in the
2 certificate or indenture executed by *I Maga'lahaen Guåhan* authorizing
3 the issuance of the bonds. The certificate or indenture shall appoint
4 one or more trustees, co-trustees or other fiduciaries authorized to
5 receive and hold in trust the proceeds of the bonds, the revenues and
6 other moneys relating thereto, to protect the rights of bondholders
7 and to perform such other duties as may be specified in the
8 indenture. *I Maga'lahaen Guåhan* is also authorized to execute, on
9 behalf of the government of Guam, any appropriate agreements,
10 certificates or other instruments relating to the bonds and the sale of
11 bonds.

12 **(i) Authorization for Credit Enhancement.** *I Maga'lahaen*
13 *Guåhan* is authorized to enter into such contracts or agreements with
14 such banks, insurance companies or other financial institutions as he
15 determines are necessary or desirable to improve the security and
16 marketability of the bonds issued under this Section. Such contracts
17 or agreements may contain an obligation to reimburse, with interest,
18 any such bank, insurance company or other financial institution for
19 advances it makes to pay the principal of or interest on the bonds and
20 to indemnify any such bank, insurance company or other financial
21 institution for costs and expenses incurred in connection with any
22 such advance. Any such reimbursement obligation and any other
23 obligations of the government under such contracts or agreements

1 shall be general obligations of the government of Guam and any such
2 advance, if necessary, shall be treated for Organic Act purposes as
3 creating an obligation issued to refund the bonds.

4 **(j) Use of Proceeds from the Sale of the Bonds.** The
5 proceeds from the sale of the bonds shall be used and are hereby
6 appropriated to (i) refinance the General Fund obligations and fund
7 the capital projects described in subsection (k) of this Section,
8 (ii) establish necessary reserves, (iii) pay expenses relating to the
9 authorization, sale and issuance of the bonds, including, without
10 limitation, printing costs, costs of reproducing documents, credit
11 enhancement fees, underwriting, legal, financial advisory and
12 accounting fees and charges, fees paid to banks or other financial
13 institutions providing credit enhancement, costs of credit ratings and
14 other costs, charges and fees in connection with the issuance, sale and
15 delivery of the bonds, and (iv) fund capitalized interest on the bonds
16 issued for the purposes described in subsection (k)(i) of this Section
17 for a period ending not later than thirty (30) months from the receipt
18 of proceeds.

19 **(k) Use of Proceeds of Bonds.** The expenditures authorized
20 to be financed with the proceeds of the bonds are as follows:

21 (i) to fund an escrow to pay debt service on all or a
22 portion of the Government of Guam General Obligation Bonds,
23 1993 Series A at a maturity not later than the year 2028,

1 provided that the annual debt service for any of said 1993 Series
2 A bonds to remain outstanding, together with the annual debt
3 service on the bonds authorized pursuant to this Section, for a
4 given year shall not exceed the aggregate annual debt service
5 for said bonds for the previous year or the next succeeding year
6 by more than one percent (1.0%).

7 (ii) **Thirty Three Million dollars (\$33,000,000)** to fund
8 the capital expense items and capital improvement projects of
9 the Guam Public School System listed in **Attachment B**.

10 (iii) **Two Million dollars (\$2,000,000)** to fund the capital
11 expense items and capital improvement projects of the
12 University of Guam listed in **Attachment C**.

13 (l) **Permitted Investments.** The proceeds of the bonds, and
14 any revenues relating to such bonds, shall be invested only in the
15 types of investments permitted by the certificate or indenture
16 pursuant to which such bonds are issued.

17 (m) **Approval by Guam Economic Development and**
18 **Commerce Authority.** Title 12 Guam Code Annotated §50103(k)
19 provides that agencies and instrumentalities of the Government of
20 Guam shall issue bonds and other obligations only by means of and
21 through the agency of the Guam Economic Development and
22 Commerce Authority (“GEDCA”). No bonds authorized by this

1 Section shall be sold until the board of directors of GEDCA has
2 adopted a resolution approving the sale.

3 **(n) Approval of Voters Not Required.** Notwithstanding
4 Title 3 Guam Code Annotated §§17311 and 17312, the issuance of the
5 bonds authorized by this Section shall not be subject to the approval
6 of, or placed before, the voters of Guam.”

7 **Section 3.** Subsection (l) of Section 22425, Chapter 22 of Title 5
8 Guam Code Annotated, is hereby amended to read as follows:

9 **(l) Territorial Educational Facilities Fund.** There is
10 continued in existence, separate and apart from other funds of the
11 government of Guam, a fund known as the “Territorial Education
12 Facilities Fund” (the "TEF Fund"). ~~In~~ The TEF Fund shall not be
13 commingled with the General Fund or any other fund of the
14 government of Guam. The TEF Fund shall be held in an account or
15 accounts at a Guam financial institution or institutions separate and
16 apart from all other accounts and funds of the government of Guam.
17 All real property tax revenues received by or on behalf of the
18 government of Guam pursuant to § 24103, Title 11, Guam Code
19 Annotated, shall be deposited in the TEF Fund and shall be
20 accounted for and used periodically only for the following purposes
21 and in the following order:

22 (1) On the dates on which monies are remitted from the
23 General Fund to any trustee, co-trustee or paying agent for the

1 bonds issued pursuant to this Section or pursuant to § 22435,
2 Chapter 22 of Title 5 Guam Code Annotated, for the purpose of
3 either (A) paying the principal of and interest on the bonds
4 designated as having been issued for the capital projects
5 enumerated in items (1), (2), (3), (4), (6) and (7) of subsection
6 (m) of this Section and for the payment of general fund
7 expenses, or paying the principal of and interest on the bonds
8 issued pursuant to § 22435, Chapter 22 of Title 5 Guam Code
9 Annotated, or (B) accumulating the amounts necessary to pay
10 the principal of or interest on such bonds, there shall be
11 transferred from the TEF Fund to the General Fund amounts
12 equal to, but not in excess of, the amounts remitted from the
13 General Fund for such purposes, and in the event that the
14 amount so transferred on any such date is insufficient to fully
15 reimburse the amount so remitted, the amount of the
16 insufficiency shall be transferred as soon thereafter as it
17 becomes available in the TEF Fund, together with interest from
18 such remittance date to such date of transfer at a rate equal to
19 the yield on the bonds.

20 (2) On the dates on which monies are transferred to the
21 General Fund pursuant to paragraph (1) of this Subsection (1)
22 of this Section, if such transfer is sufficient to fully reimburse
23 the General Fund, (with interest, if required), the balance

1 remaining in the TEF Fund shall remain in the TEF Fund and
2 shall *only* be appropriated by *I Liheslatura* for the purpose of
3 constructing, refurbishing, replacing and funding educational
4 facilities and to fund the operations of the Guam Community
5 College.

6 (3) The repayment obligation of the University of
7 Guam as described in § 22425 Chapter 22 of Title 5 Guam Code
8 Annotated, which establishes the University of Guam Bond
9 Fund, shall continue.

10 Such tax collections shall *not* be pledged to the payment of
11 amounts due on ~~the~~ such bonds, and this Subsection (l) may be
12 amended at any time by subsequent act of *I Liheslatura*. Nothing in
13 this Section or § 22435, Chapter 22 of Title 5 Guam Code Annotated
14 shall be construed to prevent the government of Guam from issuing,
15 after appropriate enabling legislation, for the benefit of the
16 government of Guam other general obligations or revenue
17 obligations of the government secured by such real ~~estate~~ property
18 tax revenues on a parity with the bonds authorized by this Section or
19 § 22435, Chapter 22 of Title 5 Guam Code Annotated."

20 **Section 4. Local Sales of Bonds.** *I Maga'lahen Guåhan* shall
21 undertake his best efforts to cause a portion of any bonds issued pursuant
22 to Section 2 of Chapter IV of this Act (§22435, Title 5 Guam Code
23 Annotated), to be offered for sale to residents of Guam, if and to the extent

1 that such offer and any sales resulting from such offer do not increase the
2 costs to the government of Guam of issuing and repaying such bonds.

3 **Section 5. Approval of Bonds.** *I Liheslaturan Guåhan*, pursuant to
4 §50103(k), Title 12 Guam Code Annotated, hereby approves the issuance
5 and sale by the government of Guam of bonds for the purposes and in the
6 principal amounts not to exceed the purpose and limits set forth in Section
7 2 of Chapter IV of this Act; *provided* that the conditions to the issuance of
8 such bonds shall have been met, that such bonds have a final maturity date
9 not later than thirty (30) years after their date of issuance, that the bonds
10 bear interest at such rate and are sold for such price or prices as shall result
11 in a yield to the bondholders not exceeding seven and one-half percent
12 (7.5%) per annum, and that the bonds are issued and sold in the manner,
13 for the purposes and subject to the requirements and limitations provided
14 in §22435, Title 5 Guam Code Annotated. This approval supersedes the
15 approval contained in Public Law 27-19 and the terms and conditions of
16 Public Law 27-19 shall not apply.

17 **Section 6. Approval of Indenture.** The certificate pursuant to
18 which the bonds approved by Section 5 of Chapter IV of this Act shall be
19 issued in substantially the form appended to this Act as “**Attachment A**”.
20 In accordance with Title 5 Guam Code Annotated §22435, the terms and
21 conditions of such bonds shall be as determined by *I Maga’lahen Guåhan*,
22 and approved by *I Liheslaturan Guåhan*, by execution of the certificate,
23 subject to the requirements of said §22435 and Section 4 of Chapter IV of

1 this Act.

2 **Section 7. Early Redemption of Bonds.** The Indenture described
3 in Section 6 of Chapter IV of this Act shall contain a provision authorizing
4 the Early Redemption of the Bonds described in Section 2 of Chapter IV of
5 this Act. Fifty Percent (50%) of any amount in excess of One Hundred
6 Million Dollars (\$100,000,000) payable to the Government of Guam by the
7 Government of the United States pursuant to Section 30 of the Organic Act,
8 Title 48 U.S. Code §41421h, shall be used for the Early Redemption of the
9 Bonds described in this Act.

10 **Section 8. Bond Proceeds Not Subject to Transfer Authority.** The
11 proceeds of the bonds approved by Section 5 of Chapter IV of this Act shall
12 not be subject to any transfer authority of *I Maga'lahaen Guåhan*.

13 **Section 9. Financial Advisory Services Fee.** An amount equal to
14 Fifty Percent (50%) of the Financial Advisory Services Fee received by the
15 Guam Economic Development and Commerce Authority from the
16 refinancing of the Government of Guam General Obligation Bonds, 1993
17 Series A shall be reserved for appropriation by *I Liheslaturan Guåhan* for
18 community and economic impact assessment required for the relocation of
19 U.S. Armed Services personnel to Guam.

20 **Section 10. Severability.** *If* any provision of this Act or its
21 application to any person or circumstances is held invalid, the invalidity
22 shall *not* affect other provisions or applications of this Act which can be

- 1 given effect without the invalid provision or application, and to this end
- 2 the provisions of this Act are severable.