

I MINA'TRENTA NA LIHESLATURAN GUÅHAN
2010 (SECOND) Regular Session

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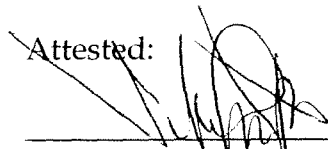
CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUÅHAN

This is to certify that **Bill No. 444-30 (COR)**, "AN ACT TO ADDRESS THE PAYMENT OF THE PROMISSORY NOTE BETWEEN THE GUAM DEPARTMENT OF EDUCATION AND THE GUAM POWER AUTHORITY IN FISCAL YEAR 2010", was on the 9th day of August, 2010, duly and regularly passed.




Judith T. Won Pat, Ed. D.
Speaker

Attested:



Tina Rose Muña Barnes
Legislative Secretary

This Act was received by *I Maga'lahaen Guåhan* this 9th day of August, 2010, at 4:45 o'clock P.M.



Assistant Staff Officer
Maga'lahaen's Office

APPROVED:

FELIX P. CAMACHO
I Maga'lahaen Guåhan

Date: _____

Public Law No. _____

I MINA'TRENTA NA LIHESLATURAN GUÅHAN
2010 (SECOND) Regular Session

Bill No. 444-30 (COR)

As amended on the Floor.

Introduced by:

v. c. pangelinan
Judith T. Won Pat, Ed.D.
T. C. Ada
F. B. Aguon, Jr.
V. Anthony Ada
F. F. Blas, Jr.
E. J.B. Calvo
B. J.F. Cruz
J. V. Espaldon
Judith P. Guthertz, DPA
T. R. Muña Barnes
Adolpho B. Palacios, Sr.
R. J. Respicio
Telo Taitague
Ray Tenorio

**AN ACT TO ADDRESS THE PAYMENT OF THE
PROMISSORY NOTE BETWEEN THE GUAM
DEPARTMENT OF EDUCATION AND THE GUAM
POWER AUTHORITY IN FISCAL YEAR 2010.**

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

2 **Section 1. Legislative Statement and Intent.** *I Liheslaturan Guåhan*, in
3 light of the issue concerning current FY 2010 unpaid electricity bills of the Guam
4 Department of Education (GDOE), is proposing a financial remedy to the dilemma at
5 hand. The Guam Power Authority (GPA) has notified the GDOE of its unpaid
6 monthly installment payment on the July 20, 2004 “installment payment agreement
7 for past due electrical service”, which the GPA expects to be brought current by

1 August 9, 2010. There is an amount of approximately Two Hundred Thousand
2 Dollars (\$200,000) due before this date and GDOE is requesting funding for this
3 expenditure in reaction to the GPA notice of disconnection scheduled for the week
4 before the beginning of School Year 2010-2011.

5 *I Liheslaturan Guåhan* finds that as a result of Public Law 30-55 (the FY 2010
6 Budget Act), funding for the government’s utility cost account was appropriated and
7 pooled under the Department of Administration (DOA) to address line agency utility
8 expenditures in FY 2010. The total allocation for the FY 2010 utility bank expenses
9 will be lower than budgeted due to recent policy decisions adopted by the
10 Consolidated Commission on Utilities (CCU), and approved by the Public Utilities
11 Commission (PUC). In a review of all policy options available to address this matter,
12 *I Liheslaturan Guåhan* finds that the Levelized Energy Adjustment Charge (LEAC)
13 savings that takes effect in August 2010 provides One Hundred Thousand Dollars
14 (\$100,000) in cost savings for the GDOE, which will be realized (booked) in the
15 subsequent month of September. In addition, Seventy Thousand Dollars (\$70,000)
16 (approximately 9%) in LEAC triggered cost savings to the utility cost account will
17 occur in September 2010.

18 *I Liheslatura*, through this measure, redirects the appropriations from these
19 savings to pay *up to* One Hundred Seventy Thousand Dollars (\$170,000) toward the
20 GDOE-GPA Promissory Note (Note). The remaining balance of the Note *shall* be
21 addressed through a direct and specific authorization granted to the Superintendent of
22 GDOE to engage in any viable transfer of funds within the current GDOE operating
23 budget.

24 *I Liheslaturan Guåhan* recognizes the opportunity to apply this recommended
25 funding strategy to deal with the current utility arrearage, or any other remaining
26 short-term debt for that matter, while being mindful of the GDOE’s access to and
27 flexibility of supplementing funds through the State Financial Stability Funds

1 (SFSF), the American Reinvestment and Recovery Act of 2009 (ARRA), and
2 numerous other federal source grants that include reimbursements of indirect costs.

3 Lastly, *I Liheslaturan Guåhan*, in order to avoid this issue from developing
4 into a reoccurring cyclical event, *shall* mandate that the Note be transferred and
5 placed under the management and direction of the DOA beginning October 1, 2010.

6 **Section 2. Transfer of Promissory Note.** Effective October 1, 2010 and
7 notwithstanding any other provision of law, the agreement between the Department
8 of Education and the Guam Power Authority signed on July 20, 2004, and referred to
9 as the “installment payment agreement for past due electrical service”, *shall* be
10 assigned to and managed by the Department of Administration for purposes of
11 administering timely payment of this specific debt agreement or any related
12 subordinate instrument in accordance with the respective schedule of payments. For
13 the purposes of this Act and in congruence with the legislative intent, the Department
14 of Administration *shall serve solely* in the capacity as agent for transacting payment
15 of the GPA-GDOE Note from the government’s Utility Cost Account.

16 **Section 3.** The sum of **Seventy Thousand Dollars (\$70,000)** is hereby
17 deappropriated from the Utility Cost Account and appropriated to the Guam
18 Department of Education Object Class 361 for any arrearages due to the Guam Power
19 Authority in the current fiscal year.

20 **Section 4.** The Superintendent of the Guam Department of Education is
21 authorized to transfer, reallocate, direct or re-direct any current Guam Department of
22 Education FY 2010 operating funds for the purpose of payment of the promissory
23 note cited in Section 2.

24 **Section 5. Severability.** *If* any of the provisions of this Act, or the
25 application thereof to any agency or agencies, person or circumstance, is held invalid,
26 such invalidity shall *not* affect any other provision or application of this Act which

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



Mina' Trenta Na Liheslaturan Guahan

Senator vicente (ben) c. pangelinan (D)

August 9, 2010

Speaker Judith T. Won Pat, Ed.D.
I Liheslaturan Guahan
Hagatna, Guam

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

RE: Request to Waive Public Hearing for Bill No. 444-30 (COR).

Member
Committee on Education

In light of the emergency situation at the Guam Department of Education (GDOE) with regard to the overdue payments to the Guam Power Authority (GPA) for electricity bills, I hereby request that Bill No. 444-30 (COR) be declared an emergency for the purpose of waiving the public hearing requirements pursuant to 2 GCA §2103.

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

As you may be aware, the GPA has issued a disconnection notice to GDOE if payments are not made by August 9, 2010. Bill No. 444-30 (COR) seeks to remedy the situation in order that schools are opened on time.

Member
Committee on Labor, the
Public Structure,
Public Libraries, and
Technology

I look forward to your approval of my request and the swift passage of Bill No 444-30 (COR) .

Si Yu'os Ma'ase'

vicente c. pangelinan
Senator

Office of the Speaker
Judith T. Won Pat, Ed. D.
Date 8/9/10
Time _____
Received by [Signature]



OFFICE OF THE SPEAKER
I MINA'TRENTA NA LIHESLATURAN GUAHAN | 30th GUAM
LEGISLATURE
JUDITH T. WON PAT, Ed.D.

August 9, 2010

To: *I Mina' Trenta Na Liheslaturan Guahan*

RE: Emergency Certification of Bill 444-30 (COR)

After careful evaluation for a request to waive the requirements for a public hearing on bill no. B444-30(COR)

Bill No. 444-30 (COR) – v.c. pangelinan – AN ACT TO ADDRESS THE PAYMENT OF THE PROMISSORY NOTE BETWEEN THE GUAM DEPARTMENT OF EDUCATION AND THE GUAM POWER AUTHORITY IN FISCAL YEAR 2010

I certify, pursuant to 2 GCA §2103(a), that an emergency condition exists and that the requirements for a public hearing on bill no. 444-30 (COR) is accordingly waived.

Senseramente,

Judith T. Won Pat, Ed.D.
Speaker

cc: Senator Rory J. Respicio
Clerk of the Legislature