



FILE COPY

***I MINA'TRENTAI TRES NA LIHESLATURAN GUÅHAN***  
THIRTY-THIRD GUAM LEGISLATURE  
155 Hesler Place, Hagåtña, Guam 96910

December 30, 2016

The Honorable Edward J.B. Calvo  
*I Maga'låhen Guåhan*  
*Ufisinan I Maga'låhi*  
*Hagåtña, Guam*

Dear *Maga'låhi* Calvo:

Transmitted herewith are Bill and Substitute Bill Nos. 162-33 (COR), 200-33 (COR), 299-33 (COR), 312-33 (COR), 330-33 (COR), 332-33 (COR), 336-33 (LS), 337-33 (LS), 350-33 (COR), 356-33 (COR), 357-33 (COR), 358-33 (COR), 379-33 (COR), 380-33 (COR), 385-33 (COR), 389-33 (COR), 391-33 (COR), 392-33 (COR), 397-33 (COR), 398-33 (COR), 399-33 (COR), 402-33 (COR), 403-33 (LS), 404-33 (LS), 406-33 (COR), 407-33 (COR), 409-33 (COR) and 411 (COR), which were passed by *I Mina'Trentai Tres Na Liheslaturan Guåhan* on December 30, 2016.

Sincerely,

TINA ROSE MUÑA BARNES  
Legislative Secretary

Enclosure (28)

PD3 PG CORP #374  
12/30/16  
8:50 PM

*I MINA'TRENTAI TRES NA LIHESLATURAN GUÅHAN*  
2016 (SECOND) Regular Session

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

This is to certify that **Bill No. 337-33 (LS)**, "AN ACT TO AMEND § 22425(I) OF ARTICLE 4, CHAPTER 22, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO ENSURING FULL FUNDING OF EDUCATIONAL PROGRAMS AND FACILITIES APPROPRIATED FROM THE TERRITORIAL EDUCATIONAL FACILITIES FUND," was on the 30<sup>th</sup> day of December 2016, duly and regularly passed.



Judith T. Won Pat, Ed.D.  
Speaker

Attested:

  
Tina Rose Muña Barnes  
Legislative Secretary

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This Act was received by *I Maga'låhen Guåhan* this 30<sup>th</sup> day of DEC,  
2016, at 8:50 o'clock P.M.

  
PATRICK G. CORPUZ #374

Assistant Staff Officer  
*Maga'låhi's* Office

APPROVED:

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EDWARD J.B. CALVO  
*I Maga'låhen Guåhan*

Date: \_\_\_\_\_

Public Law No. \_\_\_\_\_

***I MINA'TRENTAI TRES NA LIHESLATURAN GUAHAN***  
**2016 (SECOND) Regular Session**

**Bill No. 337-33 (LS)**

As amended on the Floor.

Introduced by:

Michael F. Q. San Nicolas

Judith T. Won Pat, Ed. D.

T. C. Ada

V. Anthony Ada

FRANK B. AGUON, JR.

Frank F. Blas, Jr.

B. J.F. Cruz

James V. Espaldon

Brant T. McCreadie

Tommy Morrison

T. R. Muña Barnes

R. J. Respicio

Dennis G. Rodriguez, Jr.

Mary Camacho Torres

N. B. Underwood, Ph.D.

**AN ACT TO *AMEND* § 22425(I) OF ARTICLE 4,  
CHAPTER 22, TITLE 5, GUAM CODE ANNOTATED,  
RELATIVE TO ENSURING FULL FUNDING OF  
EDUCATIONAL PROGRAMS AND FACILITIES  
APPROPRIATED FROM THE TERRITORIAL  
EDUCATIONAL FACILITIES FUND.**

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

2           **Section 1. Short Title.** This Act *shall* be cited as the “Territorial  
3 Educational Facilities Fund Protection Act.”

4           **Section 2. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds  
5 that the Territorial Educational Facilities Fund was established to provide funding

1 for educational programs and facilities, particularly of the Guam Department of  
2 Education. These funds are intended to be a reliable source of revenue for  
3 education expenditures, but that purpose is undermined when over-projection of  
4 such revenues causes operational shortfalls of educational programs and facilities.  
5 Instead of providing additional resources, the funding appropriated from this  
6 source becomes a cause of deprivation.

7 *I Liheslaturan Guåhan* further finds that the 2013 fiscal year budget  
8 projected Thirty Million Four Hundred Eighty-three Thousand Five Hundred  
9 Sixty-six Dollars (\$30,483,566) in revenue for the Territorial Educational Facilities  
10 Fund, but the audited financial statements for Fiscal Year 2013 stated that the  
11 property tax revenues was Twenty-one Million Two Hundred Sixty-three  
12 Thousand Two Hundred Sixty-seven Dollars (\$21,263,267), a variance of Nine  
13 Million Two Hundred Twenty Thousand Two Hundred Ninety-nine Dollars  
14 (\$9,220,299). In the 2014 fiscal year budget, Twenty-seven Million Two Hundred  
15 Seven Thousand Eight Hundred Ninety Dollars (27,207,890) was projected in  
16 revenue, but the audited statements showed only Twenty-three Million Two  
17 Hundred Sixty-three Thousand One Hundred Fifty Dollars (\$23,263,150) in  
18 revenue, with a variance of Three Million Nine Hundred Forty-four Thousand  
19 Seven Hundred Forty Dollars (\$3,944,740). During the most recently ended Fiscal  
20 Year 2015, revenue was projected at Twenty-eight Million Five Hundred Sixty-  
21 eight Thousand Two Hundred Eighty-five Dollars (\$28,568,285), but the Bureau of  
22 Budget and Management Research estimated actual revenues in the year to be only  
23 Twenty-five Million Seven Hundred Seventy-eight Thousand Three Hundred  
24 Thirty-six Dollars (\$25,778,336), which is Two Million Seven Hundred Eighty-  
25 nine Thousand Nine Hundred Forty-nine Dollars (\$2,789,949) less than the  
26 projection. These annual deficiencies passed on a cumulative deficit of Fifteen  
27 Million Nine Hundred Fifty-four Thousand Nine Hundred Eighty-eight Dollars

1 (\$15,954,988) compared to the amount of revenue projected and appropriated for  
2 educational programs and facilities.

3 It is therefore the intent of *I Liheslaturan Guåhan* to provide for the deposit  
4 of the projected revenue amounts from the General Fund into the Territorial  
5 Educational Facilities Fund in equal prorated monthly installments to ensure that  
6 educational programs and facilities provided by the Territorial Educational  
7 Facilities Fund are fully funded annually.

8 **Section 3. Territorial Educational Facilities Fund.** § 22425(1) of Article  
9 4, Chapter 22, Title 5, Guam Code Annotated, is hereby *amended* to read:

10 “(1) Territorial Educational Facilities Fund. There is continued in  
11 existence, separate and apart from other funds of the government of Guam, a  
12 fund known as the “Territorial Educational Facilities Fund” (TEF Fund).  
13 The TEF Fund *shall not* be commingled with the General Fund or any other  
14 fund of the government of Guam. The TEF Fund *shall* be held in an account  
15 or accounts at a Guam financial institution or institutions separate and apart  
16 from all other accounts and funds of the government of Guam. All real  
17 property tax revenues received by or on behalf of the government of Guam  
18 pursuant to § 24103, Title 11, Guam Code Annotated, *shall* be deposited in  
19 the General Fund and accounted for as a separate revenue category in each  
20 fiscal year budget. The Department of Administration *shall* deposit, on the  
21 last day of each month, a sum equal to the real property tax revenue amounts  
22 as adopted in each fiscal year budget, as amended, in equal prorated monthly  
23 installments over the course of the fiscal year, to the TEF Fund. The  
24 amounts to be deposited into the TEF Fund pursuant to this Act *shall not* be  
25 subject to any administrative reserve prior to or subsequent to the deposit.  
26 The TEF Fund *shall* be accounted for and used periodically *only* for the  
27 following purposes and in the following order:

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

19          (2) On the dates on which monies are transferred to the  
20          General Fund pursuant to Paragraph (1) of this Subsection (1), if such  
21          transfer is sufficient to fully reimburse the General Fund, (with  
22          interest, if required), the balance remaining in the TEF Fund *shall*  
23          remain in the TEF Fund and *shall only* be appropriated by *I*  
24          *Liheslatura* for the purpose of constructing, refurbishing, replacing,  
25          and funding educational facilities and to fund the operations of the  
26          Guam Community College.

1                   Such tax collections *shall not* be pledged to the payment of  
2 amounts due on such bonds and this Subsection (l) may be amended at  
3 any time by subsequent act of *I Liheslatura*. Nothing in this Section or  
4 § 22435 of this Chapter shall be construed to prevent the government  
5 of Guam from issuing, after appropriate enabling legislation, for the  
6 benefit of the government of Guam, other general obligations or  
7 revenue obligations of the government secured by said real property  
8 tax revenues.

9                   The repayment obligation of the University of Guam described in  
10 Subsection (k) of this Section *shall* continue.”

11           **Section 4. Effective Date.** The effective date of this Act *shall* be October  
12 1, 2017.

13           **Section 5. Severability.** If any provision of this Act or its application to  
14 any person or circumstance is held invalid, the invalidity *shall not* affect other  
15 provisions or applications of the Act that can be given effect without the invalid  
16 provision or application, and to this end the provisions of this Act are severable.