

I Mina'Trentai Dos Na Liheslaturan Guahan
Bill Log Sheet

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES
235-32 (COR)	Vicente (ben) C. Pangelinan	AN ACT TO ADD A NEW SECTION 19 TO PART I, CHAPTER II OF PUBLIC LAW 32-068 AND TO AMEND SECTION 1303, CHAPTER 1, ARTICLE 3, TITLE 5 OF THE GUAM CODE ANNOTATED, RELATIVE TO UPHOLDING THE INTENT OF I LIHESLATURA'S ANNUAL APPROPRIATIONS TO THE GUAM DEPARTMENT OF EDUCATION (GDOE) FOR EVERY FISCAL YEAR AND FOR FUNDING THE REPAIR AND/OR RENOVATION OF SIMON SANCHEZ HIGH SCHOOL AND FOR OTHER FACILITIES AND MAINTENANCE NEEDS OF THE GDOE.	12/5/2013 11:11 a.m.	12/05/13	Committee on Appropriations, Public Debt, Legal Affairs, Retirement, Public Parks, Recreation, Historic Preservation, and Land	12/20/13 2:00 p.m.	1/17/14 3:07 p.m	Fiscal Note Requested 12/13/13 Fiscal Note Received 1/13/14



I Mina'trentai Dos na Liheslaturan Guåhan

Senator Vicente (ben) Cabrera Pangelinan (D)

JAN 16 2014

The Honorable Judith T. Won Pat, Ed.D.
Speaker
I Mina'trentai Dos Na Liheslaturan Guåhan
155 Hesler Place
Hagåtña, Guam 96910

Chairman
Committee on Appropriations,
Public Debt, Legal Affairs,
Retirement, Public Parks,
Recreation, Historic Preservation
and Land

VIA: The Honorable Rory J. Respicio
Chairperson, Committee on Rules

RE: Committee Report on Bill No. 235-32 (COR) As Introduced

Member
Committee on Education,
Public Libraries
and Women's Affairs

Dear Speaker Won Pat:

Member
Committee on General
Government Operations and
Cultural Affairs

Transmitted herewith is the Committee Report on Bill No. 235-32 (COR), as introduced, "An Act to *add* a new Section 19 to Part I, Chapter II of Public Law 32-068 and to *amend* Section 1303, Chapter 1, Article 3, Title 5 of the Guam Code Annotated, Relative to upholding the intent of *I Liheslatura's* annual appropriations to the Guam Department of Education (GDOE) for every fiscal year and for funding the repair and/or renovation of Simon Sanchez High School and for other facilities and maintenance needs of the GDOE" sponsored by Senator Vicente (ben) Cabrera Pangelinan, which was referred to the Committee on Appropriations, Public Debt, Legal Affairs, Retirement, Public Parks, Recreation, Historic Preservation and Land.

Member
Committee on Municipal
Affairs, Tourism, Housing and
Hagåtña Restoration and
Development Authority


Committee votes are as follows:

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

- 1 TO PASS
- 0 NOT TO PASS
- 5 TO REPORT OUT ONLY
- 0 TO ABSTAIN
- 0 TO PLACE IN INACTIVE FILE

Member
Committee on Aviation, Ground
Transportation, Regulatory
Concerns and Future
Generations

Si Yu'os Ma'åse',


Vicente (ben) Cabrera Pangelinan
Chairman

2014 JAN 17 PM 3:07

**COMMITTEE REPORT
ON**

Bill No. 235-32 (COR), As Introduced

**Sponsored by Senator Vicente (ben) Cabrera
Pangelinan**

An Act to *add* a new Section 19 to Part I, Chapter II of Public Law 32-068 and to *amend* Section 1303, Chapter 1, Article 3, Title 5 of the Guam Code Annotated, Relative to upholding the intent of *I Liheslaltura's* annual appropriations to the Guam Department of Education (GDOE) for every fiscal year and for funding the repair and/or renovation of Simon Sanchez High School and for other facilities and maintenance needs of the GDOE.



I Mina'trentai Dos na Liheslaturan Guåhan

Senator Vicente (ben) Cabrera Pangelinan (D)

JAN 16 2014

MEMORANDUM

To: All Members
Committee on Appropriations, Public Debt, Legal Affairs, Retirement,
Public Parks, Recreation, Historic Preservation and Land.

From: Senator Vicente (ben) Cabrera Pangelinan
Committee Chairperson

Subject: Committee Report on Bill No. 235-32 (COR), As Introduced


Transmitted herewith for your consideration is the Committee Report on Bill No. 235-32 (COR, as introduced, "An Act to *add* a new Section 19 to Part I, Chapter II of Public Law 32-068 and to *amend* Section 1303, Chapter 1, Article 3, Title 5 of the Guam Code Annotated, Relative to upholding the intent of *I Liheslatura's* annual appropriations to the Guam Department of Education (GDOE) for every fiscal year and for funding the repair and/or renovation of Simon Sanchez High School and for other facilities and maintenance needs of the GDOE." sponsored by Senator Vicente (ben) Cabrera Pangelinan.

This report includes the following:

1. Committee Voting Sheet
2. Committee Report Narrative
3. Copy of Bill No. 235-32 (COR), As Introduced
4. Public Hearing Sign-in Sheet
5. Copies of Written Testimonies
6. Copy of Fiscal Note REquest
7. Copy of COR referral Bill No. 235-32 COR)
8. Notices of Public Hearing
9. Copy of the Public Hearing Agenda

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,
Public Debt, Legal Affairs,
Retirement, Public Parks,
Recreation, Historic Preservation
and Land

Member
Committee on Education,
Public Libraries
and Women's Affairs

Member
Committee on General
Government Operations and
Cultural Affairs

Member
Committee on Municipal
Affairs, Tourism, Housing and
Hagåtña Restoration and
Development Authority

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



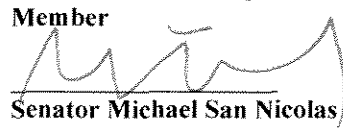


Member
Committee on Aviation, Ground
Transportation, Regulatory
Concerns and Future
Generations

I MINA' TRENTAI DOS NA LIHESLATURAN GUÅHAN

Committee Voting Sheet

**Committee on Appropriations, Public Debt, Legal Affairs, Retirement,
Public Parks, Recreation, Historic Preservation and Land**

Bill No. 235-32 (COR), As Introduced "An Act to *add* a new Section 19 to Part I, Chapter II of Public Law 32-068 and to *amend* Section 1303, Chapter I, Article 3, Title 5 of the Guam Code Annotated, Relative to upholding the intent of *I Liheslatura's* annual appropriations to the Guam Department of Education (GDOE) for every fiscal year and for funding the repair and/or renovation of Simon Sanchez High School and for other facilities and maintenance needs of the GDOE"

Committee Members	To Pass	Not To Pass	Report Out Only	Abstain	Inactive File
 _____ Senator Vicente (ben) Cabrera Pangelinan Chairman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____ Vice Speaker BJ Cruz Vice Chairperson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____ Speaker Judith T. Won Pat Member	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
 _____ Senator Tina Rose Muña-Barnes Member	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____ Senator Dennis Rodriguez, Jr. Member	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
 _____ Senator Michael San Nicolas Member	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
 _____ Senator Tommy Morrison Member	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
 _____ Senator Michael Limtiaco Member	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



Committee Report

Bill No. 235-32 (COR). An Act to *add* a new Section 19 to Part 1, Chapter II of Public Law 32-068 and to *amend* Section 1303, Chapter 1, Article 3, Title 5 of the Guam Code Annotated, Relative to upholding the intent of *I Liheslatura's* annual appropriations to the Guam Department of Education (GDOE) for every fiscal year and for funding the repair and/or renovation of Simon Sanchez High School and for other facilities and maintenance needs of the GDOE.

I. OVERVIEW

The Committee on Appropriations, Public Debt, Legal Affairs, Retirement, Public Parks, Recreation, Historic Preservation and Land convened a public hearing on December 20, 2013 at 8:30am 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 Friday, December 13, 2013 (5-Day Notice), and again on Wednesday, December 18, 2013 (48 Hour Notice).

(a) Committee Members and Senators Present

Senator Tina Muna Barnes, Member
Senator Mike San Nicolas, Member
Senator Mike Limtiaco, Member
Senator Frank Aguon, Member
Senator Brant McCreadie
Senator Tony Ada
Senator Chris Duenas
Senator Aline Yamashita

(b) Appearing before the Committee

Mr. John Rios, Director for Bureau of Budget Management and Research
Ms. Benita Manglona, Director for the Department of Administration
Mr. Jon Fernandez, Superintendent of the Department of Education
Ms. Taling Taitano, Deputy Superintendent of Finance

Chairman
Committee on Appropriations,
Public Debt, Legal Affairs,
Retirement, Public Parks,
Recreation, Historic Preservation
and Land

Member
Committee on Education,
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Member
Committee on Health &
Human Services, Health
Insurance Reform, Economic
Development and Senior
Citizens

Member
Committee on Aviation, Ground
Transportation, Regulatory
Concerns and Future
Generations

Written Testimonies Submitted

Mr. John Rios, Director for Bureau of Budget Management and Research
Ms. Benita Manglona, Director for the Department of Administration
Mr. Jon Fernandez, Superintendent of the Department of Education

II. COMMITTEE PROCEEDINGS

Chairman Pangelinan: Thank you very much, Ladies and Gentlemen, and good afternoon to all of you. We are continuing this hearing with the Committee on Appropriations. The agenda this afternoon is limited to two bills as introduced. One is Bill 235-32 and 206-32. We'll start with Bill 235-32. Bill 235 is a bill that I have introduced which is relative to amending PL 32-06 and to amend Section 1303, Chapter 1, Article 3, Title 5 GCA relative to intent to... for every fiscal year...

We have with us signed up to testify this afternoon, Mr. John Rios, Ms. Benita Manglona, and Mr. Jon Fernandez. Are you all going to be providing oral testimony this afternoon? If you are, please step forward.

Thank you very much for your presence this afternoon.

(a) Bill Sponsor Summary

Chairman Pangelinan: Briefly, the intent of Bill 235 is relative to the annual appropriations of GDOE. We saw in the experience of the past budget cycles in which reserves were imposed on the appropriations that were passed by this legislative body to fund the operations of the various departments and agencies of the government of Guam and branches of the government of Guam.

In this case, we are concerned about the effect that these reserves have on the operations of the Guam Department of Education and its ability to fulfill its mandates and providing itself a safe and healthy learning environment for our children. We found that in Fiscal Year 2013, \$9 million of the appropriations that were passed by this body totaling \$212,730,361 to the Guam Department of Education, \$9 million was withheld and has not been released. We looked at that and continued to see the needs and the struggle of the Department of Education to maintain its facilities, improve its facilities. But much more importantly make the necessary repairs to its facilities so that the children will have a safe and healthy learning environment; it's been challenged to do so. It was even, in our opinion, more egregious in this fiscal year, because despite the fact that the General Fund noted a surplus of over \$23 million to news releases from the administration and preliminary numbers coming out of the review of the financial closure of the fiscal year that we still did not provide \$9 million to the Department of Education for which it was funded.

We could understand if revenues were less than what was budgeted, but revenues, collections exceeded what was budgeted by over \$23 million dollars. That led to the challenges the Department of Education had and *has*. Now we're seeing the same practice being implemented this fiscal year. We believe that from what we've been able to gather is that reserves will continue to be imposed on the Guam Department of Education in this fiscal year,

and those reserves could amount to as much as \$22 million dollars of the amount budgeted for the Guam Department of Education.

It really doesn't make sense for the administration, the legislature to fight over how much money we're going to give DOE in terms of an appropriation if we're not going to give them the cash necessary to implement the objectives of the budget and the goals of the budget in providing those resources to the Guam Department of Education. In addition to proposing that the reserve be released for the Guam Department of Education of the Fiscal Year 2014 and that a portion of that reserve of up to \$4 million be dedicated to the repairs required at Simon Sanchez that have identified by the Guam Department of Education of close to \$3 million then the additional balance of the other repair needs of the public school system, then going forward that we amend other existing statutes to give authorization and authority for the administration to impose these reserves and withhold the allotments and the budget of the Guam Department of Education... and limit that ability of the administration to deny and withhold what is the legislative policy and in the end, also the administration's policy because the budget can't be implemented if not signed by the governor.

By virtue of the governor signing the budget, he agrees to a degree with the priorities and the levels of funding that are placed upon the departments and agencies and provide it to these departments and agencies. If he doesn't agree, we have seen what he can do is reduce the appropriation to those departments and agencies by a line-item veto and reducing those numbers.

But if he doesn't, then he, in fact (in our opinion), is then agreeing with the policy decision of providing this much resources to the departments and agencies and the branches of this government. The subject matter of Bill 235-32 are those as described, and we will now present the opportunity for the individuals that are here this afternoon to provide their testimony.

We'll go ahead and begin with Mr. Rios, the Superintendent, and Ms. Manglona.

(b) Testimonies

Mr. John Rios. [Read his testimony verbatim – see attached]

Chairman Pangelinan: Thank you very much, Mr. Rios. Would you make sure that the staff gets a copy of that so that it can be provided for the committee record?

Ms. Manglona, you may proceed.

Ms. Benita Manglona. [Read her testimony verbatim – see attached]

Chairman Pangelinan: Si Yu'os Ma'åse'--thank you very much, Ms. Manglona. Mr. Fernandez.

Mr. Jon Fernandez. [Read his testimony verbatim – see attached]

Chairman Pangelinan: Thank you very much, Mr. Fernandez. You said you work closely with the governor... can you tell us the result of the work that you've done with the

governor and the administration in managing the budget for fiscal year 2013? You tell me you need the entire \$220 million for operations this fiscal year. How much money was released to the Department of Education for operations in 2013?

Mr. Jon Fernandez: If I can ask Ms. Taling to come up. Through the EFSC process, we go through that monthly process to validate the needs of the department and to identify any issues that we expect. With the reserve in place, early in the fiscal year, we've been alerted to the issue that would arise without further relief. At that point, when the Board is tasked to come up with a corrective action plan, we are faced with either making significant cuts to the budget and the rest of the operational needs that need to be adjusted or to work with the governor and to determine whether he will consider releasing the reserves.

At least some of the relationship standpoint, we approached the governor, and he came out very publicly and stated support for the school system and that he would release the reserves as needed. That was the working relationship, and with regard to the numbers, I'll let Ms. Taitano, my Deputy Superintendent of Finance...

Ms. Taling Taitano: Currently, of the budget, there was \$193 million released, there is a reserve of about \$9 million.

Chairman Pangelinan: You've worked with the governor to meet the needs of the department. So the department only needs \$193 million to run?

Mr. Jon Fernandez: We are currently working with the governor to close out the FY13 issues. Over the past several weeks, we've notified him of what we believed was a gap between what we needed, what we encumbered, and what was released. We've been working with the Department of Administration, and we're very successful in reconciling half that amount away--that was part of the conversation--that was part of the relationship. We've notified them of the need to release further allotment.

The amount close to \$9 million dollars. We continue that conversation as of today to see how we can make sure that the needs of the school system are met.

Chairman Pangelinan: The department has either spent or encumbered the \$212 million, and you've only gotten \$193 million?

Mr. Jon Fernandez: We've either spent or encumbered 99.1% of the appropriation based on--which leaves a little less than \$8 million in additional allotment needed and the cash to back it.

Chairman Pangelinan: So you're short, based upon your expenditure and your encumbrances for FY2013?

Mr. Jon Fernandez: Correct.

Chairman Pangelinan: That's still pending, and you still need that; otherwise, either you were going to have the Department of Education run a deficit of \$8 million dollars?

Mr. Jon Fernandez: Right. We've continued to work with the governor, Benita, John, and others to see what we can do to resolve that situation, but our understanding is that through the year, we'd get the reserve released as we proceeded. Of course, they're using it as a management tool on their end, but for us, we're working full steam ahead to close out the fiscal year, and at this point, I'm just trying to resolve these last issues.

I think the number we looked at has maybe doubled, a couple of weeks ago. A part of that was just to reconcile the numbers with DOA. The number is now down to the number that we're talking about today--\$8 million dollars.

Chairman Pangelinan: I want to thank Senator San Nicolas for joining us this afternoon.

If you were to get the \$212 million, and you're at \$220 million, and I know that you allocated or budgeted and planned for the increase of \$212 million to \$220 million for the operations of the department... would--given what you need to do for Simon Sanchez and for the health and safety of the students there--could you find then if you were given that difference between the \$212 million and the \$220 million of an additional \$4 million to redirect of that balance to redirect that to Simon Sanchez at this time.

Would you need that assurance today that that money would be released?

Mr. Jon Fernandez: I would like to say that we have that flexibility. When we came to the table for the FY14 budget, we put before you what we believe would be a current services budget which was close to the \$220 million--which encompassed all the utility cost increases based on our actuals and rate increases which starts to eat into that number.

When we got down to it, we were looking at \$220 million to manage potential issues relating to--for instance, if the central offices are to move, or if we were going to absorb some of the utility costs for Untalan Middle School moving--those are types of things that were built in. Those are things that are happening right now--utilities for the Okkodo expansion once that comes up and running--even though that's on the tail end of the fiscal year in the summer. Once we added those up, it's going to be above and beyond that \$212 million that was originally put forward. The \$4 million number is too big to bite off.

Senator Frank B. Aguon, Jr.: Thank you very much, Mr. Chairman. To Ms. Manglona and Mr. Rios, thank you very much. We understand the nature of the management tool that's available right now through the executive budget and how you've been able to work with that particular tool to be financing the entire operations of the government of Guam. I think that you understand that the message had always been consistent from members of this body that whatever is allocated towards the Department of Education that that would be released accordingly. I just wanted to thank you for highlighting that the tool has worked in the past.

Mr. Fernandez, my biggest issue--just so that I get clarity in terms of your presentation--you're saying that in actuality, your overall cost assumed or obligated for Fiscal Year 13 is inclusive of the additional \$8 million dollars, or are those expenses that were incurred subsequent to October 1st of this year?

Mr. Jon Fernandez: Those are all captured within the FY13 fiscal year.

Senator Frank B. Aguon, Jr.: Hopefully, there's that anticipation that, in fact, the resources would originate back from that fiscal year as opposed to Fiscal Year 14, because you just gave an excellent explanation in terms of utilizing the \$212 million plus the additional \$8 million that is allocated for the Department of Education. In addition to the \$4 million--I'm still trying to understand the nature of the \$4 million dollars and what that would encompass in terms of Simon Sanchez, because we know that they need some direct financial infusion to maintain and to upgrade, change air conditioning units to fix most of the facilities so that it's in good, safe condition for the students.

Has there been any overall assessment in terms of costs associated with that facility to get it up to par to meet all the requirements by the different agencies to ensure the safety of our students? I heard that they have not received or seen any visible documentation that would reflect that.

Does DOE have anything?

Mr. Jon Fernandez: When we visited Simon Sanchez High School, we tried to--there were a number of things that were at issue at the school. A lot of it was basic housekeeping, and that's where the school community came in to try to address the public health issues: cleanliness of classrooms, low-end maintenance--things that could be handled by the school. There were some projects that the facilities and maintenance staff were required to go in and help with. We tried to take care of a lot of those issues. Those included some of the repairs around the facility that could be done with some of our major internal resources.

But there were some major projects that were leftover. Those included the bathroom renovations that were--these are from the issues that were raised specifically by the students that we'd like to address--bathroom renovations, all the restrooms and locker rooms renovations; the repair of all the awnings were on that list; the repair of the air conditioning duct system. We have new air conditioning units up and running, but the duct system was not part of that project.

The parapet on the top of the roof--things that still remain to be. We estimated an amount between two and three million dollars.

Senator Frank B. Aguon, Jr.: So you do have documentation that reflects the additional cost that will try to bring Simon Sanchez High School to the quality or standard that it should be for our students?

Mr. Jon Fernandez: We do have quotes on some of the aspects that we've been trying to move forth with that.

Senator Frank B. Aguon, Jr.: Can you please provide the Committee with the documentation, because it would reinforce the requirement in terms of the \$4 million and the timeliness of being able to get you the \$4 million. The reality is I know that you have some of your school personnel working during the course of the interim in trying to address some of the immediate concerns. The bottom line is that even during the course of the school year, the students will need to see that the school is being properly maintained.

Just walking in the shoes of the shark was an incredible experience to understand what the students have to endure. I commend the students for coming out very strongly and very vocally in trying to involve the community, the parents, the school administration, your office, and the front office to share what they go through on a daily basis. It resulted in very good

things. Some of the students were sharing with me during the walk in the shoes of the sharks that there were repairs that occurred only a few days prior. My response was that it occurred a few days prior because of your actions. I commend you and the administration of DOE for taking the initiative, but the reality is that--in my opinion--because a lot of the public outcry from the students resulted in some of those fixes.

I hope you'll be able to address that. I say that, knowing full well that another school on the horizon is asking for the same consideration--GW High School. We're starting to hear some of their students come out publicly, and some of the instructors are saying, "We need the proper authorities, inclusive of your office, Mr. Superintendent, to visit their facility to see what their students are going through."

If that's going to be another issue, that's where the chairman comes in in terms of the budgetary flexibility. That's where we need the commitment of the front office that the allotments--although you're using it as a tool on a month-to-month basis, that hopefully, during the course of the fiscal year that there can be some direct assurance that they can go out and encumber and expend additional resources--make those commitments to upgrade some of these facilities. When you start hearing the community of GW High School and some of these other schools start coming out then the reality is that there's going to be a very, very strong push not only from this part of the community but also from yourselves in terms of identifying the resources, getting the support of the release of the cash so we can assure the students that although there is limited cash availability, some of these serious conditions will be addressed within the foreseeable near future.

I encourage you to continue what you're doing, Mr. Fernandez, and be very mindful that GW High School is probably on the horizon with sharing their concerns with the facility they're presently in. Thank you very much, and I endorse the flexibility and the assurance that you will have your full allotment that's dedicated and provided in the budget.

Just hearing from you, you would have already reached the threshold of \$212 million; the extra \$8 million is only to continue to address some of the serious concerns that you've identified.

Thank you very much, Mr. Superintendent.

Chairman Pangelinan: I know the plan or the promise is that you'll release the allotment as needed and they're saying that you can take that \$4 million now and obligate it because it's early in the year, but if you only have a 90% allotment released for this month, you can't take \$4 million of that 90% allotment release and obligate it to repair Sanchez, because you won't have enough for that month. That's why it's gotta come from the reserve at this time with regard to obligating that or get a commitment that \$4 million of that reserve will be released. If we're saying that you have to release more than 90% in order to allow them to obligate for that month, that \$4 million dollars--if they were to repair those. If they were to spend it from that 90% allotment, then you won't have enough for the operations or for payroll. That's why we're saying it's got to be released.

The release has to come earlier than the tail end of the fiscal year to be able to have the resources to repair Sanchez and continue to pay the obligations and operational requirements of the department.

Mr. John Rios: I'm not sure of the details with them able to spend the \$4 million within a month. I do know that there is about--

Chairman Pangelinan: You have to certify that there's money.

Mr. John Rios: There's over \$7 million right now that can be drawn down. After talking with the superintendent yesterday, we moved up some of the allotments for Simon Sanchez at about \$1 million dollars up front. You are correct--later in the year, depending on what cuts they make, the board of trustees and the superintendent may impose spending cuts or find money that they can save during the year. Hopefully, we don't have to cut--

Chairman Pangelinan: They have to be able to obligate it now to certify the funds are available, to issue the RFP, the bids, and awards and not wait until the year. It's just a timing issue as you say.

Mr. Jon Fernandez: If I may, I think the issue with regard to Simon Sanchez just so we're clear—it would be helpful to have the flexibility. We've used a lot of our resources towards Simon Sanchez. When I say the current operations and vision of the facilities and maintenance budget because we used a lot of our attention and time on Simon Sanchez now, of course, the other schools are starting to say, "Where are we on this?" They've held off a little bit for those two weeks when we were working heavily there. We will be reassessing those needs as well.

When you talk about, "Are we going to have enough even with the full appropriation?"—that's not an answer I have now. If we're going to address something like GW, we need to have more--the other point I would make is that I do appreciate that note by Mr. Rios that over the course of the year being able to cut. That is exactly the issue that's before me today which is why I'm working so hard with the governor to resolve FY13 issues. Obviously, vendors who are owed money—that leads into the next year. We're really trying to make sure we don't have to deal with those issues, because then FY14 becomes a more difficult year. Our conversations with the governor and staff is that we'll need to make adjustments early in the fiscal year if there is a need to cut and there isn't the same commitment last year to work hand-in-hand to meet the needs of the school system.

That's why it's so urgent for us to meet with Benita and John to resolve these issues; otherwise, you can't resolve your fiscal year problems in the summer. At the same time, we're trying to expand the high school, trying to open a new school, trying to move a middle school back to its original campus and pay the bills, pay the increments, pay all the things we were not faced with in the prior couple of years. With all that in mind, we're working hand-in-hand with the governor trying to understand how we're going to meet those needs within the appropriated amount.

The reserves for me have been a management tool that's useful to them, but we're relying on that relationship with the governor that when the need comes, are we going to be able to count on the resources, or do we need to make those adjustments right now?

Senator Frank B. Aguon, Jr.: I understand the nature of the comment in terms of cutting and making sure that there's greater efficiencies, but the reality is that until a management audit is conducted on the Department of Education, we can't identify areas where Mr. Fernandez can streamline that he is right now, the school system is bursting at the seams.

I say that because of Simon Sanchez, which is an excellent example of where, in fact, they had received the resources as anticipated then Mr. Fernandez would have dedicated more resources in a more timely manner to address some of those issues over the summer rather than

waiting until it came to the point where it was. Although I understand the management tool, I understand the encouragement in terms of cutting and trimming unless there is a real assessment, it makes it difficult because he already knows he's bursting at the seams in being able to meet the requirements operationally, textbooks, teachers, personnel but just as importantly the facilities.

Mr. John Rios: That's something the board provided me--the list of things they wanted to do in saving money. This was in the beginning of 2012. In addition to that, we've been working for the Simon Sanchez issue, then we've been working with DOE. Last year we released close to \$21 million in the reserve; if it has to be released, then we will release it.

Chairman Pangelinan: In the end, they spent more than \$21 million; they've obligated more than the \$21 million that you released. They're saying that they still have not released \$8 million, but they have encumbered or spent at \$8 million.

Mr. John Rios: On the TEF--is that what?

Chairman Pangelinan: No--just overall.

Senator Michael San Nicolas: Thank you, Mr. Speaker. I just wanted to get a firm handle on exactly what the financial picture is and how it reflects the priorities that we have in the government. I have a couple of questions to clarify for the record. This is for John and Benita...

My first question is: the budget the governor signed that was passed by this legislature... does the governor believe that *that* in fact is a balanced budget?

Mr. John Rios: I need to look back at the letter that we wrote back to the legislature, because after the changes that were made during the session that you had, I think there was some--I can provide that to you on what the difference was. I think you did appropriate a little bit more than the revenues. I'll get that information--the detailed information--to you on that.

Chairman Pangelinan: I thought it was a little bit less.

Mr. John Rios: (Or less.)

Chairman Pangelinan: Because of the line item veto to the Office of Finance and Budget.

Mr. John Rios: Okay, then that too.

Senator Michael San Nicolas: I can ask the question a different way. Would the governor sign an unbalanced budget into law, or would he veto an unbalanced budget?

Mr. John Rios: Well, you know, if it would cause a closing of all the schools and shutting down the government, it's my opinion that the government will go ahead and approve the budget, but you know... if you guys are--if the budget bill is passed that has really major errors, I'm sure that he would require that the legislature would come back, take a look, and

make those changes--whether it's \$100,000 here, \$100,000 there that's not really critical, he'd pass it so that he would not shut down the government.

Senator Michael San Nicolas: I know that when we went through the whole budget process, we were a long way from anywhere near a shutdown--we were still a month away from the actual end of the fiscal year when the governor signed the budget so I don't think he signed it under duress, and I don't recall him saying that he is signing it in spite of the fact that it's unbalanced. I don't recall him making that statement, either.

Mr. John Rios: In fact, even during the Session, we provided \$9 million more to you through the letter that we received from DOI. That would have been a great chance to use that \$9 million and put some in Simon Sanchez--I'm not sure. I think we increased the COLA by so much, and there were some other uses of that.

Senator Michael San Nicolas: As a matter of fact, not only was the budget signed into law by the governor with the figures provided, but it turned out that we actually had \$15 million more in Section 30. Not only was the budget balanced but it was also very conservative not factoring the \$15 million.

Mr. John Rios: I believe there were a few senators that had bills that were going to appropriate some of that money for public safety--I'm not sure if it was education also, but that was a two-minute Special Session that ended that said, "Governor, you can use it for all tax refunds."

Ms. Benita Manglona: Just a correction, Senator, it's not Compact Impact--it's Section 30.

Senator Michael San Nicolas: I'm sorry--that's right, Section 30. So we passed a balanced budget that was actually \$15 million conservative in 2014. We have a balanced budget--that's clear--I hear lots of talk, constantly, about the deficit being gone, John and Benita. The deficit's gone?

Mr. John Rios: I'm sorry, but I think the--the \$15 million you're talking about, I believe is for 2013? It's not for 2014.

Ms. Benita Manglona: It's for prior years--

Senator Michael San Nicolas: That's eventually how it was expended.

Chairman Pangelinan: That's how we got the surplus.

Mr. John Rios: No, that's 12, but we plan to get surplus for 13 as well.

Senator Michael San Nicolas: Traditionally, all the Section 30 money is supposed to be used for next fiscal year, but we used it to cover 2013 tax refunds.

Ms. Benita Manglona: Yes, because that portion is attributed to prior years. When we came to the legislature, Vice Speaker Cruz said we don't need legislative approval, so we spent it on tax refunds.

Senator Michael San Nicolas: That's a good thing, but we spent a portion of it for prior year and another portion of it for this current fiscal year. But if we were short, theoretically, part of that \$15 million would have been used for the current fiscal year. So we have a balanced budget--that's on the table.

My other question is with regards to the constant reminders of the deficit being gone... is that correct?

Ms. Manglona: Well, the audit report reflects that as of 2012, and we're working on 2013, and we think that it is possible.

Senator Michael San Nicolas: This \$8 million encumbered by DOE, though, is that a deficit?

Mr. John Rios: We still have a lot of liabilities to pay. Think of it, as our deficit is gone, but we still have a lot of payments made.

Senator Michael San Nicolas: When does a liability become a deficit?

Mr. John Rios: It's part of the balance sheet--whereas, the deficit or surplus comes under the statement of revenues and expenditure in the government, itself.

Senator Michael San Nicolas: So when does a liability get to be called--its synonym of being part of the deficit. Is that when we feel like it?

Ms. Benita Manglona: We'll just go back to Accounting 101. The liability has already been recognized--it's an expenditure. It's recognized in the expense part, and then when you pay it, it's the cash issue, because when you pay the liability, you touch the expenditure, you're just paying the liability down.

Senator Michael San Nicolas: So when we pay what we've recently paid for the law enforcement pay adjustment--which is also a good thing--I know the governor said that he paid that because the deficit is gone--I'm sure he's talking about 2013 so is this \$8 million liability--is that a deficit that we need to pay? What is that, exactly? I'm very confused.

Ms. Benita Manglona: That's an obligation. It's in the law to be paid, but it has not been booked yet so we are recognizing the expenditure in 2014.

Senator Michael San Nicolas: Is the position from the administration that the deficit is, in fact, gone?

Mr. John Rios: For 2012, I believe that the audit shows that there is no longer a deficit with a surplus.

Ms. Benita Manglona: We're going through the audit for 2013.

Senator Michael San Nicolas: But the governor just said a week ago that the deficit is gone.

Ms. Benita Manglona: Well, that's what it's reflecting since 12.

Senator Michael San Nicolas: And that's what he used to justify the payment.

Ms. Benita Manglona: And that's why this management tool is very effective--the allotment control and the reserve. That's the reason why you can't touch that, and you can't remove the allotment control.

Senator Michael San Nicolas: So we have a balanced budget, and the deficit is gone.

Ms. Benita Manglona: That's what it looks like now.

Senator Michael San Nicolas: My next question is... if the budget is balanced and the deficit is gone, why are we still needing to implement a reserve on a priority like education? Especially when--and again, this is just recently that I heard, that we had a \$2.8 million surplus for tax refunds. We don't have any pending obligations on refunds. The deficit is gone. The budget is balanced. Why are we still holding back on giving DOE their full allotment?

Mr. John Rios: We reduced the reserve from 2013 to 10%, but the reason you still want to place a reserve, is what happens if revenues don't come in? What happens if the military build-up stops? Tourists stop coming to Guam? All of those things?

Senator Michael San Nicolas: I agree--

Mr. John Rios: It probably won't equate to the whole thing, but at least it's something.

Senator Michael San Nicolas: Sure... and maybe having a reserve in some portions of the government might be prudent, but I believe that the governor shares this legislature's priority that education needs to be fully funded and that education's needs need to be met, and if the budget is balanced, the deficit is gone. We're \$2.8 million in the green for next year's tax refunds, why can't we step away from having a reserve for education--maybe have a reserve elsewhere. when we have the struggles that we have in our school system like at Simon Sanchez--when we have other maintenance issues throughout the Department of Education. When we have the situation up at GW.

When we have the situation at Southern High School. I can walk through the schools, and we can all point out where that reserve could be spent, immediately. At least encumbered for the improvements to be made throughout the school district. If we all shared that same priority for the legislature and the administration--if the budget is balanced, if the deficit is gone, if we're in the green for tax refunds for 2014, why can't we stop this reserve for education and fully prioritize it?

Mr. John Rios: To add on to that, we also have a lot of these obligations, prior year obligations, and unfunded mandates that we still need to take care of.

Chairman Pangelinan: But until you book them, then they don't become--

Mr. John Rios: Yeah, but are you saying we shouldn't follow the--

Chairman Pangelinan: You kind of justified the expenditure and the payments of these based upon the deficit, liability, booking, not booking, recognizing, not recognizing... you kind of pick and choose. I think that that's really the question. We're picking one over education. We seem to be picking everything else over education at this time with giving the additional resources. We had a surplus, and instead of giving education its full allotment and releasing the \$8 million that they still don't have--that they've spent--and if that doesn't come through, then adjustments have to be made in this fiscal year's budget in some form or fashion

Rather than giving it to education, you gave it to the law enforcement--the others. That's the decision that the executive makes, but in this case, we wanted to ensure that in the bill that we have that those kinds of decision become limited when we decrease the amount of reserves that the governor can impose upon education to ensure it reflects the priority of the legislature in the allocation during the budget process as approved by the governor when he signs those bills.

Mr. John Rios: We're trying to work closely with the Department of Education, and we've received reports for the 2013--the expenditure reports--we're analyzing that at least for the bureau and reviewing it. For 2014, we've received the staffing pattern, and it shows both salaries and benefits at about \$167 million of local funds; the budget shows salaries and benefits at \$174 million.

There's \$7 million. But I'm sure that the superintendent may have other employees that he'll need to hire later on down the line. We want to work with them. With Simon Sanchez, we've moved up allotments to help them. Eventually, we're going to start releasing some of those reserves later in the year once we know he's strapped.

Chairman Pangelinan: I think you moved him to the beginning, because from my understanding--correct me if I'm wrong--the Department of Education had to use the 2014 allotment release to pay for 2013 payroll because they were short that \$8 million dollars. Had they received that \$8 million, they would have paid the entire payroll that would have straddled that entire fiscal year for that pay period. They had to use their 2014 allotment to pay 2013 payroll expenses, which then makes them already short if you don't want to release the reserve.

I'm sure those are some of the issues you're trying to deal with in terms of justifying that release of that additional \$8 million, because it would affect this year.

Senator Michael San Nicolas: Speaking of this reserve, how much is in the current FY2014 reserve? How much does that amount to right now?

Chairman Pangelinan: About \$22 million?

Senator Michael San Nicolas: All together--throughout the government.

Mr. John Rios: Ten percent would be \$21 million.

Senator Michael San Nicolas: Twenty one million for DOE; throughout the government is...

Mr. John Rios: Oh, for the entire government? Maybe around \$40-41 million total, including DOE.

Senator Michael San Nicolas: We're in the process of finishing the first quarter of the fiscal year. So we can take the \$219 million, divide it by four, times ten percent. Technically, that's real cash that should have been in the coffers at DOE but was held in reserve.

Mr. John Rios: Then you would divide it by 12, and multiply it by three, and that's what the additional...

Senator Michael San Nicolas: That's \$219 million divided by four quarters, multiplied by ten percent. We're looking at about \$5 million, which is precisely the amount that this bill would release for Simon Sanchez, more or less. If the deficit is gone and we had the money to pay out these past obligations, which is a good thing, then this \$5 million here--you guys should be able to release that for DOE.

We've already covered the first quarter; tourism hasn't fallen out; the military buildup hasn't come to a screeching halt; the economy is still checking along for these last three months. so at least for these last three months, we should be able to release ten percent of that one-quarter's reserve.

Mr. John Rios: And all our liabilities are paid off.

Senator Michael San Nicolas: I consider Simon Sanchez as a serious liability.

Mr. John Rios: Oh, no, no! By all means.

Chairman Pangelinan: Which liability, John? The ones that are booked or the ones that you decide to recognize? Because you've paid liabilities that haven't been booked.

Mr. John Rios: Right. We're doing that too. I'm not sure what is pending--if all the promised comps have been paid--with the law enforcement--I'm not sure if it's all been paid.

Chairman Pangelinan: No, the judiciary is still short.

Senator Michael San Nicolas: I don't mind this idea of the reserve--I think the governor has been doing a pretty good job in meeting a lot of the priorities that have been outstanding, and we do need to give him credit for that. But now that we have these needs in our system--especially in DOE--and education is an absolute priority throughout all the leadership in this government... if we are able to clear quarters and clear those quarters without having those economic hardships that we're supposedly trying to provision for. Once we've cleared the first quarter of the fiscal year, we should be able to say that ten percent reserve we had for those three months, let's give the full amount to DOE, because we've cleared that quarter. As we've cleared

the quarters, we need to be releasing the funds, because we have a balanced budget--the deficit is gone, we're in the green for tax refunds, let's start fully funding the priorities and education is clearly one of them.

I fully support this bill, and I would encourage the administration to go back, look at the cash management, and say that now that we've cleared this quarter, let's look at this bill for what it intends to do, meet a liability of this government which is our students and community at Simon Sanchez.

Chairman Pangelinan: I know you may think it's still too early, but for DOE and the students at Simon Sanchez it's too late.

Mr. John Rios: No, we've provided a solution to that already.

Chairman Pangelinan: That is the issue here. When do they need this, and when can they obligate it so they can begin the additional repairs that are needed over and above what has been able to be funded through internal resources that has taken from other schools. Now those have to be addressed, but they can't be addressed without the 90% release allotment that some of the reserve has to be released.

This concludes the testimony on Bill No. 235-32. There being no additional individuals to present any additional testimony, this Committee will continue to remain open for the acceptance of any additional information or public testimony on the bill discussed. You can submit those testimonies to my office directly on Soledad Avenue, as well as the Guam Legislature or through any of the electronic processes either email at senbenp@guam.net or through our website at senbenp.com

This hearing is adjourned.

III. FINDINGS & RECOMMENDATIONS

The Committee on Appropriation, Public Debt, Legal Affairs, Retirement, Public Parks, Recreation, Historic Preservation and Land, hereby reports Bill No. 235-32 (COR), as introduced with the recommendation TO REPORT OUT ONLY

I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN
2013 (FIRST) REGULAR SESSION

Bill No. 235 - 32 (COR)

Introduced by:

V.C. Pangelinan 

AN ACT TO *ADD* A NEW SECTION 19 TO PART I, CHAPTER II OF PUBLIC LAW 32-068 AND TO *AMEND* SECTION 1303, CHAPTER 1, ARTICLE 3, TITLE 5 OF THE GUAM CODE ANNOTATED, RELATIVE TO UPHOLDING THE INTENT OF *I LIHESLATURA'S* ANNUAL APPROPRIATIONS TO THE GUAM DEPARTMENT OF EDUCATION (GDOE) FOR EVERY FISCAL YEAR AND FOR FUNDING THE REPAIR AND/OR RENOVATION OF SIMON SANCHEZ HIGH SCHOOL AND FOR OTHER FACILITIES AND MAINTENANCE NEEDS OF THE GDOE.

BE IT ENACTED BY THE PEOPLE OF GUAM:

1 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds
2 that the sum of Two Hundred Nineteen Million Six Hundred Fifty Five Thousand
3 Four Hundred Eleven Dollars (**\$219,655,411**) was appropriated to the Guam
4 Department of Education (GDOE) in FY 2014 which represents an increase of Six
5 Million Nine Hundred Twenty Five Thousand Fifty Dollars (**\$6,925,050**) above the
6 appropriation *I Liheslatura* provided to the GDOE in FY 2013. *I Liheslatura*
7 further finds that in accordance with the Bureau of Budget and Management
8 Research (BBMR) Circular No. 14-01, a ten percent (10%) reserve has been
9 imposed on all appropriations funded by the General Fund and all Special Funds
10 inclusive of operations which is applicable to the amount appropriated to the
11 GDOE.

2013 DEC -5 AM 11:1



1 *I Liheslaturan Guåhan* further finds that as a result of BBMR Circular No.
2 13-01 which placed a fifteen percent (15%) reserve on the GDOE appropriation in
3 FY 2013, over Nine Million Dollars (**\$9,000,000**) continues to be reserved and
4 withheld from the GDOE's Two Hundred Twelve Million Seven Hundred Thirty
5 Thousand Three Hundred Sixty One Dollars (**\$212,730,361**) appropriation in FY
6 2013. *I Liheslatura* believes that such funds reserved and withheld from the GDOE
7 is unjustified as the September 30, 2013 Consolidated Revenue and Expenditure
8 Report filed and certified by the BBMR, the Department of Administration (DOA),
9 and the Department of Revenue and Taxation (DRT) reports that actual General
10 Fund revenues collected exceeds estimated General Fund revenues for FY 2013 by
11 Twenty Three Million Eight Hundred Twenty Seven One Hundred Twenty One
12 Dollars (**\$23,827,121**).

13 *I Liheslaturan Guåhan* further finds that this reserve on the GDOE
14 appropriation for FY 2014 equates to almost Twenty Two Million Dollars
15 (**\$22,000,000**) and that such reserve not only places a burden on the GDOE's
16 ability to plan and provide adequate facilities and maintenance for the students,
17 teachers, and administrators of the GDOE but also impedes the GDOE's ability to
18 continue to provide the best education it can to the students of Guam. Such issues
19 have been seen with the facilities and maintenance issues at Simon Sanchez High
20 School (SSHS) which have prompted the Executive Branch and the Office of the
21 Attorney General to respond to the issues raised by students, teachers, and
22 administrators of SSHS.

23 Section 1303, Chapter 1, Article 3, Title 5 of the Guam Code Annotated
24 provides the authority of budget allotment control to the BBMR which has been
25 utilized to impose the ten percent (10%) reserve on the GDOE in FY 2014. *I*
26 *Liheslatura* further finds that although this Section of the Guam Code Annotated is
27 a financial management tool provided by *I Liheslatura* to the Executive Branch,

1 such use of this authority toward the GDOE has not been justified as seen with the
2 reserving of the GDOE appropriation in FY 2013 even though actual revenues
3 were collected in excess of estimates. Furthermore, this same Section of the Guam
4 Code Annotated which provides such authority to the BBMR to manage allotments
5 states, “that sufficient cash *shall* always be released to the Department of Education
6 to provide an adequate public education to every public school student.”

7 *I Liheslaturan Guåhan* does not believe that the use of the management of
8 allotments and the continued reserve placed on the GDOE represents a fair and just
9 use of such authority granted to the Executive Branch by *I Liheslatura* as seen in
10 FY 2013 and that the authority provided to the Executive Branch over the
11 management of GDOE allotments needs to be adjusted in order for the GDOE to
12 be provided the necessary financial resources it needs to plan and provide an
13 adequate education to every public school student, inclusive of the students of
14 SSHS.

15 *I Liheslaturan Guåhan* understands the importance of providing the
16 Executive Branch with the financial management tools it needs to execute the
17 budget of the government of Guam. Such was evident in FY 2014 when *I*
18 *Liheslatura* provided *I Maga'låhen Guåhan* with a lump-sum budget and transfer
19 authority which provides flexibility in managing the finances of the government.
20 But in the interest of prioritizing education and the needs of the GDOE, *I*
21 *Liheslatura* finds that limiting the authority of *I Maga'låhen Guåhan's* and the
22 BBMR's reserve of appropriation authority of the GDOE appropriations will
23 provide a more equitable and fair treatment of the GDOE by the Executive Branch,
24 will ensure steady and adequate flow of critical financial resources to GDOE, and
25 will fully prioritize the education of every public school student.

26 Furthermore, as the necessary funds are provided to the GDOE, *I*
27 *Liheslaturan Guåhan* intends on dedicating approximately Four Million Dollars

1 (\$4,000,000) of the GDOE appropriation for FY 2014 that was reserved by the
2 BBMR to the Facilities and Maintenance Division of the GDOE toward the repair
3 and/or renovation of SSHS and other facilities and maintenance needs of the
4 GDOE.

5 **Section 2.** Section 19 is hereby *added* to Part I, Chapter II of Public Law 32-
6 068 to read:

7 **“Section 19.** The sum of Four Million Dollars (\$4,000,000) *shall* be
8 allocated and allotted from the General Fund appropriation in Section 1 of this Part
9 of this Chapter to the Facilities and Maintenance Division of the GDOE for the
10 repair and/or renovation of the Simon Sanchez High School campus and auxiliary
11 facilities. Any remaining balance *shall* be for other facilities and maintenance
12 needs of the GDOE for FY 2014; §1303 of Chapter 1, Article 3, Title 5 GCA, *shall*
13 *not* apply to the appropriation allocated and allotted in this Section. The funds
14 allocated and allotted in this Section are *not* subject to *I Maga'låhen Guåhan's*
15 transfer authority.”

16 **Section 3.** Section 1303, Division 1, Chapter 1, Article 3, Title 5 of the
17 Guam Code Annotated is hereby *amended* to read:

18 **“§ 1303. Management of Allotments.**

19 In the release of monthly or quarterly allotments by the Bureau of
20 Budget & Management Research from appropriation acts, the Director
21 thereof shall base such allotments on anticipated cash receipts so that the
22 obligations incurred pursuant to such release of periodic allotments shall
23 have sufficient cash for their payment, provided that sufficient cash shall
24 always been released to the Department of Education to provide an
25 adequate public education to every public school student and that no more
26 than three percent (3%) from the Department of Education aggregate fiscal
27 year General Fund and Special Fund appropriations may be reserved by the

1 BBMR. If, by the end of the third quarter of each fiscal year, the actual,
2 aggregate revenue collections of the General and Special Funds
3 appropriated to the Department of Education are not three percent (3%) or
4 more, less than the estimates for that fiscal year, the BBMR shall release all
5 reserves placed on the appropriations of the Department of Education and
6 the BBMR shall not be authorized to reserve from any of the appropriations
7 to the Department of Education for the remainder of the fiscal year.

8 No agency shall contract or agree to spend any money for goods or services
9 or in settlement of a lawsuit or claim in excess of the amount appropriated by the
10 Legislature to that Agency for such goods, services, claim, or settlement, and
11 BBMR shall not allot funds to that agency for the payment of any amount towards
12 such goods, services, claim, or settlement if the total amount of the goods, services,
13 claim, or settlement is more than the amount appropriated or amount allotted by
14 BBMR. Any contract or agreement made in violation hereof shall be void. Any
15 agency head or certifying officer who knowingly contracts or agrees to spend any
16 money in excess of said allotments shall be guilty of a misdemeanor.”

17 **Section 4. Allotment Schedule.** The GDOE shall provide an allotment
18 schedule of the allocation in Section 19, Part I, Chapter II of Public Law 32-068 to
19 the BBMR no later than twenty (20) days after the enactment of this Act. Such
20 allotment schedule shall reflect the priorities of the GDOE to include the repair
21 and/or renovation of SSHS and other facilities and maintenance needs of the
22 GDOE. A copy of such allotment schedule shall be provided to the Speaker of I
23 *Liheslaturan Guåhan.*

24 **Section 5. Effective Date.** This Act shall be effective upon enactment.

25 **Section 6. Severability.** If any provision of this Act or its application to any
26 person or circumstance is held invalid, the invalidity shall not affect other

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



Mina'trentai Dos na Liheslaturan Guahan
32ND GUAM LEGISLATURE

Senator Vicente "ben" Cabrera Pangelinan

**COMMITTEE ON APPROPRIATIONS, PUBLIC DEBT, LEGAL AFFAIRS, RETIREMENT,
PUBLIC PARKS, RECREATION, HISTORIC PRESERVATION AND LAND**

Friday, December 20, 2013
Bill No. 235
SIGN UP SHEET

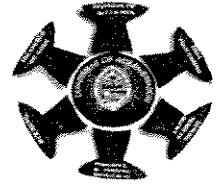
NAME	ADDRESS	PHONE	EMAIL	WRITTEN	ORAL	SUPPORT	
						Yes	No
John Rio's							
Benita Manglona							
Jon Fernandez							
Talig Taitano							



Eddie Baza Calvo
Governor
Ray Tenorio
Lieutenant Governor

Department of Administration
(DIPATTAMENTON ATEMENSTRASION)
DIRECTOR'S OFFICE
(UFISINAN DIREKTOT)

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Benita A. Manglona
Director
Anthony C. Blaz
Deputy Director

Testimony on Bill No. 235-32
before the
Committee on Appropriations, Public Debt, Legal Affairs,
Retirement, Public Parks, Recreation, Historic Preservation and Land
December 20, 2013

Buenas yan Håfa Adai Mr. Chairman and members of the Committee. Thank you for the opportunity to provide comment on Bill 235-32:

While the Department of Administration supports the intent to provide funding for the repair and/or renovation of Simon Sanchez High School, it is opposed to the way in which such funding is to be provided. Bill 235-32 mandates a limit on the authority of *I Maga' lahen Guahan's* and the Bureau of Budget and Management Research's (BBMR) to manage appropriations that would ensure that projected revenues match actual revenues collected.

More specifically, Section 2 of Bill 235-32 removes the application of Section 1303 of Chapter 1, Article 3, Title 5 GCA, from the appropriation amount of \$4,000,000 allocated and allotted from the General Fund to the Facilities and Maintenance Division of GDOE for the repair and/or renovation of the Simon Sanchez High School campus and auxiliary facilities. Section 1303 mandates BBMR to base allotments on anticipated cash receipts so that expenditures would have cash for their payment. This makes the Department of Administration (DOA) assume the role of BBMR in the budget process. Doing this places additional responsibilities on the staff of DOA, and at the same time reduces the flexibility of BBMR to manage budgets. This is a function that is critical and must not be diminished. The allotment control function with the implementation of a reserve at the beginning of a fiscal year is a management and budgetary tool the administration utilizes to manage and control GovGuam's limited resources.

While BBMR manages the appropriations, DOA manages the cash. DOA does not look at ONLY the daily or monthly cash balance, it must project cash disbursements and set aside cash to cover for the low collection months when our actual collection is much less than the departments' required monthly disbursements.

In a letter addressed to Honorable Judith T. Won Pat, Ed.D., Speaker, attached to Public Law 32-68, the FY2014 Budget Law, Governor Eddie Calvo, is quoted stating the following:

"Your revenue restrictions also burden the Executive Branch. How do you expect our administration to manage cash resources when you either do not understand the ebb and flow of cash, or you simply ignore the truth of the difficulty in managing cash with the revenue restrictions you've again placed in the budget? Nevertheless, we will manage, especially where we believe your provisions are inorganic and an unconstitutional breach of the Separation of Powers doctrine."

Therefore, I recommend that Section 1303, Chapter 1, Article 3, Title 5 of the Guam Code Annotated be kept intact. The Department of Administration supports the intent to repair and/or renovate the Simon

Sanchez High School but does not support the mechanism of removing BBMR's allotment control or the funding source. In its current form, the funding source is within the annual appropriation of GDOE. GDOE could simply reallocate its funding needs and redirect funds for the repair of Simon Sanchez High School without legislative approval.

We have just recently eliminated the General Fund deficit and we are paying our bills to vendors, taxpayers and employees because of sound cash and budgetary management policies. It is recommended that such policies NOT be changed through mandates such as Section 2 of this Bill.

A handwritten signature in cursive script that reads "Benita Manglona". The signature is written in black ink and is positioned above the printed name.

BENITA A. MANGLONA

Testimony on Bill No. 235-32
before the Committee on Appropriations, Public Debt,
Legal Affairs, Retirement, Public Parks, Recreation,
Historic Preservation and Land

December 20, 2013

John Rice

Good afternoon, Mr. Chairman and Members of the Committee on Appropriation, Public Debt, Legal Affairs, Retirement, Public Parks, Recreation, Historic Preservation and Land. Thank you for the opportunity to testify on Bill 235-32. This proposed legislation is seeking to amend existing mandates as follows:

- 1) To add a new Section 19 to Part I, Chapter II of Public Law 32-068 (Budget Act) which is to reallocate GDOE General Fund appropriations totaling \$4.0 Million.
- 2) To restrict the Governor's authority of implementing budgetary policies to ensure cash availability for appropriations. The current policy of implementing reserves at 10% of appropriation is being

MANDATED to be reduced permanently to 3% for all GDOE appropriations made annually.

Proposed Reallocation of GF Funding

There is no additional fiscal impact for this proposal as it simply mandates the release of reserve funding, a budgetary management tool currently in place to avoid deficit spending overall.

If the Guam Department of Education requires immediate funding of repairs and maintenance, it is early enough in the fiscal year to modify allotments to reflect those needs. The reserves do not have to be released at this time. More importantly is the question of how much is required for the maintenance and repair of Simon Sanchez School. The Bureau has not seen a cost assessment or cost estimate for this project. Has such an assessment been conducted?

Proposed Governor of Guam's Reserve Policy for GDOE

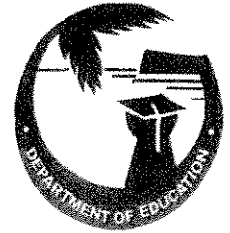
The budgetary policy of appropriation "reserves" is an executive function used to ensure anticipated and actual revenues are

matching projected revenues for expenditures. This authority is vested in the Governor by the Organic Act of Guam, and various court decisions, which uphold the doctrine of separation of powers. We also would like to take this opportunity to note that the use of the appropriation reserve of 10% or more is an effective budgetary tool when applied across the board. It encourages departments/agencies to be prudent in their expenditures of taxpayer money while working efficiently to operate their departments and provide quality services. The performance outcome and overall aggregated costs at the end of the fiscal year should be kept at or below appropriated levels. Other benefits from this activity is the ability to pay off prior year obligations that had contributed to the deficit, vendor payables, employee merit bonus, promised compensation, salary increments and law enforcement mandated salary increases. Without the sacrifices made by all departments/agencies and their employees to be prudent in spending government funds and to live within the appropriation amounts allotted, these prior year mandates and

obligations would have continued to grow. In closing, the Bureau is in support of the INTENT of the Bill to repair and maintain the Simon Sanchez School but it is opposed to the mechanism in achieving this effort as provided for in Bill 235-32.



DEPARTMENT OF EDUCATION OFFICE OF THE SUPERINTENDENT



www.gdoe.net

P.O. Box D.E., Hagatña, Guam 96932

Telephone: (671)475-0457 or 300-1547/1536 • Fax: (671)472-5001

Email: jonfernandez@gdoe.net

JON J. P. FERNANDEZ
Superintendent of Education

December 20, 2013

The Honorable Vicente "ben" C. Pangelinan
Chairman, Committee on Appropriations, Public Debt, Legal Affairs, Retirement, Public Parks, Recreation,
Historic Preservation and Land
32ND Guam Legislature
155 Hesler Place
Hagatna, GU 96910

Re: Testimony on Bill 235-32, relative to upholding the intent of *Liheslatura's* annual appropriations to the Guam Department of Education (GDOE) for every fiscal year and for funding the repair and/or renovation of Simon Sanchez High School and for other facilities and maintenance needs of the GDOE

Dear Senator Pangelinan:

Thank you for the opportunity to provide testimony on Bill 235-32, which would redirect \$4,000,000 within the Fiscal Year 2014 GDOE appropriations to repair or renovate Simon Sanchez High School. The bill would also limit the authority of the Bureau of Budget and Management Research (BBMR) to place a reserve on GDOE appropriations.

Let me first thank you and your colleagues for your attention and support of our public schools. With the legislation that you have introduced, I believe the intent is to ensure that the necessary resources are provided to help the department pay the salaries of our teachers and staff, cover our ever-increasing utility costs, purchase textbooks and fund the basic maintenance of our facilities; all of these things need to be done in order to educate and support the 31,000-plus students in our school system. You also clearly have heard our need to address the facility issues raised by students at Simon Sanchez High School, which we hope to address soon.

Earlier this year, the Guam Board of Education approved and sent forth a proposed budget of close to \$290 million to support a number of priorities, including facilities and maintenance. Obviously, in reviewing the needs of all agencies, the Legislature appropriated an amount closer to \$220 million, and then BBMR subsequently placed 10 percent of that appropriation in reserve. It is GDOE's position that the full amount, inclusive of the reserves, will be needed to fund operations in FY 2014, and that is a message that we continue to make clear to the Legislature and to the Governor.

For this reason, redirecting \$4,000,000 of the FY 2014 appropriation to fund Simon Sanchez High School repairs and renovation means that there will need to be a similar-sized cut to another part of the budget, and that is significant. We will continue to look within our current budget for ways to help address Simon Sanchez

HS, but, given the amount of work needed to fully address the issues raised by students, we require resources that go above and beyond the current appropriation. Please reconsider this aspect of the legislation and, instead, work with us to find additional resources that will enable us to address Simon Sanchez High School without compromising current operations.

With regard to the reserve authority granted to BBMR, I have already stated that it is my position that GDOE will require the full amount appropriated in FY 2014 to meet the needs of our public schools. It is, therefore, important that there be clarity about whether the funds within the 10 percent reserve will be made available when the need arises during the coming months. In FY 2013, I raised this issue with Governor Calvo, and he agreed to gradually release the reserves so long as we validated the needs of the department. It was on this basis that we were able to operate in FY 2013, and I expect the same commitment from the Governor in FY 2014 until I am notified otherwise. The issue of whether reserve authority ought to be granted at all is a matter of fiscal policy that should be decided between the Executive and Legislature; as a government agency director, it is my responsibility to manage the budget that has been made available and to work with our elected officials and my board to ensure that the needs of our public school students are met.

Thank you again for the opportunity to submit this testimony to you today.

Senseramente,

A handwritten signature in black ink, appearing to read "Jon J. P. Fernandez". The signature is fluid and cursive, with a large, stylized initial "J".

JON J. P. FERNANDEZ



COMMITTEE ON RULES

I Mina'trentai Dos na Liheslaturan Guåhan • The 32nd 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

January 13, 2014

Memorandum

To: Rennae Meno
Clerk of the Legislature

From: Senator Rory J. Respicio
Majority Leader & Rules Chair

Subject: Fiscal Notes /Waivers

Hafa Adai!

Attached please find the fiscal notes, or waivers for the bill numbers listed below.

Please note that the fiscal notes, or waivers, are issued on the bills as introduced.

FISCAL NOTES:

Bill Nos. 235-32 (COR), 236-32 (COR), 237-32 (COR); 239-32 (COR), 240-32 (COR), 241-32 (COR), and 242-32 (COR)

WAIVER:

Bill No. 245-32 (COR)

Please forward the same to MIS for posting on our website. Please contact our office should you have any questions regarding this matter.

Si Yu'os ma'åse'!

Senator
Thomas C. Ada
VICE CHAIRPERSON
ASSISTANT MAJORITY LEADER

Senator
Vicente (Ben) C. Pangelinan
Member

Speaker
Judith T.P. Won Pat, Ed.D.
Member

Senator
Dennis G. Rodriguez, Jr.
Member

Vice-Speaker
Benjamin J.F. Cruz
Member

Legislative Secretary
Tina Rose Muña Barnes
Member

Senator
Frank Blas Aguon, Jr.
Member

Senator
Michael F.Q. San Nicolas
Member

Senator
V. Anthony Ada
Member
MINORITY LEADER

Senator
Aline Yamashita
Member

2014 JAN 13 PM 2:38

**BUREAU OF BUDGET & MANAGEMENT RESEARCH**

OFFICE OF THE GOVERNOR
Post Office Box 2950, Hagåtña Guam 96932

EDDIE BAZA CALVO
GOVERNOR

RAY TENORIO
LIEUTENANT GOVERNOR

JOHN A. RIOS
DIRECTOR

JOSE S. CALVO
DEPUTY DIRECTOR

FACSIMILE INFORMATION PAGE

PLEASE DELIVER TO: Senator Rory Respicio

FACSIMILE NUMBER: 472-3547

FROM: BBMR

Total Pages including this page: 15

If you do not receive legible copies of all the pages, please call back as soon

as possible. Phone numbers (671) 475-9412/9450. Fax number (671) 472-2825

RE: Fiscal Note on the following Bill Nos.: 235-32(COR), 236-32(COR), 237-32(COR), 239-32(COR), 240-32(COR), 241-32(COR), 242-32(COR) and Fiscal Note Waiver on the following Bill Nos.: 245-32(COR).

COMMENTS: Fiscal Notes to be picked up via Central Files.

Thank You!

**BUREAU OF BUDGET & MANAGEMENT RESEARCH**OFFICE OF THE GOVERNOR
Post Office Box 2950, Hagåtña Guam 96932EDDIE BAZA CALVO
GOVERNORJOHN A. RIOS
DIRECTORRAY TENORIO
LIEUTENANT GOVERNORJOSE S. CALVO
DEPUTY DIRECTOR

JAN 10 2014

Senator Rory J. Respicio
Chairperson, Committee on Rules
I Mina'trentai Unu na Liheslaturan Guåhan
The 31st Guam Legislature
155 Hesler Place
Hagåtña, Guam 96932

Hafa Adai Senator Respicio:

Transmitted herewith is Fiscal Note on the following Bill Nos.: 235-32(COR), 236-32(COR), 237-32(COR), 239-32(COR), 240-32(COR), 241-32(COR) and Fiscal Note Waiver on the following Bill Nos.: 245-32(COR).
242-32(LOR)

If you have any question(s), please do not hesitate to call the office at 475-9412/9106.

JOHN A. RIOS
Director

Enclosures
cc: Senator Vicente (ben) Pangelinan

**Bureau of Budget & Management Research
Fiscal Note of Bill No. 235-32**

AN ACT TO ADD A NEW SECTION 19 TO PART I, CHAPTER II OF PUBLIC LAW 32-068 AND TO AMEND SECTION 1303, CHAPTER 1, ARTICLE 3, TITLE 5 OF THE GUAM CODE ANNOTATED, RELATIVE TO UPHOLDING THE INTENT OF I LIHESLATURA'S ANNUAL APPROPRIATIONS TO THE GUAM DEPARTMENT OF EDUCATION (GDOE) FOR EVERY FISCAL YEAR AND FOR FUNDING THE REPAIR OF SIMON SANCHEZ HIGH SCHOOL AND OFOR OTHER FACILITIES AND MAINTENANCE NEEDS OF THE GDOE.

Department/Agency Appropriation Information	
Dept./Agency Af Education	Dept./Agency Head: Jon Fernandez, Superintendent of
Department's General Fund (GF) appropriation(s) to date:	188,469,835
Department's Other Fund (Specify) appropriation(s) to date:	31,185,576
Total Department/Agency Appropriation(s) to date:	\$219,655,411

Fund Source Information of Proposed Appropriation			
	General Fund:	(Specify Special Fund):	Total:
FY 2013 Unreserved Fund Balance		\$0	\$0
FY 2014 Adopted Revenues	\$591,087,815	\$0	\$591,087,815
FY 2014 Appro. (Bill No. 1(4-S))	(\$591,049,932)	\$0	(\$591,049,932)
Sub-total:	\$37,883	\$0	\$37,883
Less appropriation in Bill	\$0	\$0	\$0
Total:	\$37,883	\$0	\$37,883

Estimated Fiscal Impact of Bill						
	One Full Fiscal Year	For Remainder of FY 2014 (if applicable)	FY 2015	FY 2016	FY 2017	FY 2018
General Fund	\$0	\$0	\$0	\$0	\$0	\$0
(Specify Special Fund)	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$0	\$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? /x/ N/A / / 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 /x/ No
- Will the enactment of this Bill require new physical facilities? /x/ Yes / / 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 / / Other:

Analyst: 	Date: 12/11/13	Director: 	Date: JAN 10 2014
John AB Pangellinan, Supervisor		John A. Rios, Director	

Footnotes:
See attached comment sheet.

Comments on Bill No. 235-32

This proposed legislation is seeking to amend existing mandates as follows: 1) To add a new Section 19 to Part I, Chapter II of Public Law 32-068 which is to reallocate General Fund funding of \$4.0 Million of the Guam Department of Education (GDOE) from its current General Fund appropriation of \$188,469,835, and 2) To limit the Governor of Guam's appropriation reserve policy to 3% for all GDOE appropriations made annually.

Proposed Reallocation of GF Funding for

There is no additional fiscal impact for this proposal; however, the Guam Department of Education would need to reallocate such funding from programs already allocated.

Proposed Governor of Guam's Reserve Policy for GDOE

This authority is vested in accordance with the Organic Act of Guam and various court decisions, which upholds the doctrine of separation of powers. Therefore, it is our understanding that the proposed language to amend Section 1303, Division 1, Chapter 1, Article 3, Title 5 of the Guam Code Annotated, limiting the Governor of Guam to a 3% reserve on Guam Department of Education's annual appropriation is assuming the executive function of the Governor of Guam, which is inconsistent with the Organic Act of Guam and existing court precedents (*Government of Guam v. U.S.A.* [D.C. Guam 1982], Civil Case No. 82-0001; *People v. Camacho*, Sup. Ct. Guam, 1 Guam R.501 [1975]; and followed by *Attorney General of Guam v. Superior Court [Flores, Real Property]*, D.C. Guam, Civil Case No. 79-153 [1980]). This proposed amendment is an administrative change with no fiscal impact associated with the amendment.



COMMITTEE ON RULES

I Mina'trentai Dos na Liheslaturan Guåhan • The 32nd 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

December 13, 2013

Senator
Thomas C. Ada
VICE CHAIRPERSON
ASSISTANT MAJORITY LEADER

MEMORANDUM


Senator
Vicente (Ben) C. Pangelinan
Member

To: Rennae Meno
Clerk of the Legislature

Speaker
Judith T.P. Won Pat, Ed.D.
Member

Attorney Therese M. Terlaje
Legislative Legal Counsel

Senator
Dennis G. Rodriguez, Jr.
Member

From: Senator Rory J. Respicio 
Chairperson of the Committee on Rules

Vice-Speaker
Benjamin J.F. Cruz
Member

Subject: Referral of Bill Nos. 234-32(COR) & 235-32 (COR)

Legislative Secretary
Tina Rose Muña Barnes
Member

As the Acting Chairperson of the Committee on Rules, I am forwarding my referral of **Bill Nos. 234-32(COR) & 235-32 (COR)**.

Senator
Frank Blas Aguon, Jr.
Member

Please ensure that the subject bill is referred, in my name, to the respective committee, as shown on the attachment. I also request that the same be forwarded to all members of *I Mina'trentai Dos na Liheslaturan Guåhan*.

Should you have any questions, please feel free to contact our office at 472-7679.

Senator
Michael F.Q. San Nicolas
Member

Si Yu'os Ma'åse!

Senator
V. Anthony Ada
Member
MINORITY LEADER

Attachment

Senator
Aline Yamashita
Member

I Mina'Trentai Dos Na Liheslaturan Guahan

Bill Log Sheet

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTE
235-32 (COR)	Vicente (ben) C. Pangelinan	AN ACT TO ADD A NEW SECTION 19 TO PART I, CHAPTER II OF PUBLIC LAW 32-068 AND TO AMEND SECTION 1303, CHAPTER 1, ARTICLE 3, TITLE 5 OF THE GUAM CODE ANNOTATED, RELATIVE TO UPHOLDING THE INTENT OF I LIHESLATURA'S ANNUAL APPROPRIATIONS TO THE GUAM DEPARTMENT OF EDUCATION (GDOE) FOR EVERY FISCAL YEAR AND FOR FUNDING THE REPAIR AND/OR RENOVATION OF SIMON SANCHEZ HIGH SCHOOL AND FOR OTHER FACILITIES AND MAINTENANCE NEEDS OF THE GDOE.	12/5/2013 11:11 a.m.	12/05/13	Committee on Appropriations, Public Debt, Legal Affairs, Retirement, Public Parks, Recreation, Historic Preservation, and Land			Fiscal Note Requested 12/13/13

Guam Legislature Clerks Office

From: Senator Rory J. Respicio [cor@guamlegislature.org]
Sent: Friday, December 13, 2013 10:55 AM
To: Guam Legislature Clerks; Rennae Perez; Therese Terlaje
Subject: Referral of Bill Nos. 234-32(COR) & 235-32 (COR)
Attachments: 2013.12.13_REF_B234 & B235.pdf

Hafa adai,

Please disregard all messages prior to this regarding the Referral of Bill No. 234 & 235 (COR) and see updated memo.

Thank you!

December 13, 2013

MEMORANDUM

To: **Rennae Meno**
Clerk of the Legislature

Attorney Therese M. Terlaje
Legislative Legal Counsel

From: **Senator Rory J. Respicio**
Chairperson of the Committee on Rules

Subject: **Referral of Bill Nos. 234-32(COR) & 235-32 (COR)**

As the Chairperson of the Committee on Rules, I am forwarding my referral of **Bill Nos. 234-32(COR) & 235-32 (COR)**.

Please ensure that the subject bill is referred, in my name, to the respective committee, as shown on the attachment. I also request that the same be forwarded to all members of *I Mina'trentai Dos na Liheslaturan Guåhan*.

Should you have any questions, please feel free to contact our office at 472-7679.

Si Yu'os Ma'åse!

Attachment

Cc: Clerk of the Legislature

Bill Nos.	Sponsor	Title	Date Introduced	Date Referred	Cmte
234-32 (COR)	Michael F. Q. San Nicolas	AN ACT TO REQUIRE THAT THE OFFICE OF TECHNOLOGY ESTABLISH A PROTOCOL TO BACK-UP CRITICAL ELECTRONIC DATA NECESSARY FOR THE EFFICIENT OPERATION OF AGENCIES BY ADDING A NEW SUBSECTION (l) TO §20204.1 OF ARTICLE 2, CHAPTER 20, TITLE 5, GUAM CODE ANNOTATED.	12/04/13 3:49pm	12/5/13	Comm Govern Cultu
235-32 (COR)	Vicente (ben) C. Pangelinan	AN ACT TO ADD A NEW SECTION 19 TO PART I, CHAPTER II OF PUBLIC LAW 32-068 AND TO AMEND SECTION 1303, CHAPTER 1, ARTICLE 3, TITLE 5 OF THE GUAM CODE ANNOTATED, RELATIVE TO UPHOLDING THE INTENT OF LIHESLATURA'S ANNUAL APPROPRIATIONS TO THE GUAM DEPARTMENT OF EDUCATION (GDOE) FOR EVERY FISCAL YEAR AND FOR FUNDING THE REPAIR AND/OR RENOVATION OF SIMON SANCHEZ HIGH SCHOOL AND FOR OTHER FACILITIES AND MAINTENANCE NEEDS OF THE GDOE.	12/5/2013 11:11am	12/5/13	Comm Public Retire Recre Presen

--

Majority Leader Rory J. Respicio

Chairperson, Committee on Rules;
Federal, Foreign & Micronesian Affairs;
Human & Natural Resources; and Election Reform
I Mina'Trentai Dos na Liheslaturan Guåhan
155 Hesler Place, Ste. 302
Hagåtña, Guam 96910
Phone: (671) 472-7679
Fax: (671) 472-3547



Lisa Dames <cipo@guamlegislature.org>

Public Hearing - FIRST Notice

Lisa Dames <cipo@guamlegislature.org>

Fri, Dec 13, 2013 at 1:15 PM

To: PHrg Notice <phnotice@guamlegislature.org>, phmaterials@guamlegislature.org

The Committee on Appropriations, Public Debt, Legal Affairs, Retirement, Public Parks, Recreation, Historic Preservation and Land will hold a public hearing on **Friday, December 20, 2013** beginning at **8:30am** and **2:00pm** at the Guam Legislature Public Hearing Room. The following is on the agenda:

8:30am

Bill No. 231-32 (COR) – Introduced by Senator Tina Muna Barnes: An Act to rezone Lot No. 22, Block No 4, Tract No. 170, West Acres Subdivision, Dededo, Guam from Single-Family Dwelling Zone (R-1) to Multiple-Family Dwelling Zone (R-2).

Bill No. 232-32 (COR) – Introduced by Senator Tina Muna Barnes: An Act to rezone Lot No. 23, Block No 4, Tract No. 170, West Acres Subdivision, Dededo, Guam from Single-Family Dwelling Zone (R-1) to Multiple-Family Dwelling Zone (R-2).

Bill No. 221-32 (COR) – Introduced by Senator Dennis Rodriguez: An Act relative to rezoning Lot No. 1106-2NEW, Located in the Municipality of Mangilao, from Single-Family Residential (“R-1”) to Commercial (“C”), for purposes of establishing a medical clinic and health care related commercial activity.

Bill No. 172-32 (COR) – Introduced by Senator Brant McCreadie: An Act to create a New Article 6 & 7 to Chapter 90 Title 9, Guam Code Annotated, Relative to the construction and renovation of the Department of Corrections Adult Correctional Facility to ensure the safety of the people of Guam; which shall collectively be cited as “The Department of Corrections Construction Initiative Act of 2013”.

2:00pm

Bill No. 235-32 (COR) – Introduced by Senator Vicente (ben) Cabrera Pangelinan: An Act to *add* a new Section 19 to Part I, Chapter II of Public Law 32-068 and to *amend* Section 1303, Chapter 1, Article 3, Title 5 of the Guam Code Annotated, Relative to upholding the intent of *I Liheslaltura’s* annual appropriations to the Guam Department of Education (GDOE) for every fiscal year and for funding the repair and/or renovation of Simon Sanchez High School and for other facilities and maintenance needs of the GDOE

Bill No. 206 (COR) -- Introduced by Senator BJ Cruz: An Act to Amend Subsection (C) of §26603 of Article 6, Chapter 26, of Title 11 Guam Code Annotated, Relative to Establishing Tax Parity Between Cigarettes and Chewing Tobacco.

Yanggen un nisisita spesiát na setbision, put fabot ágang i Ifisinan Sinadot Vicente (ben) Cabrera Pangelinan gi 473-4236/7. Yanggen un nisisita kopian i priniponi siha ginen este na tareha, hálom gi i uepsait i Liheslaturan Guáhan gi www.guamlegislature.com Yanggen para un na'hálom testigu-mu, chule' para i ifisinan-mâmi gi 324 West Soledad Avenue gi iya Hagátña, pat guatto gi i Kwatton Katta gi i Liheslatura, pat faks gi 473-4238, patsino imel gi office@senbenp.com Este na nutisiu inapási nu i fendon gubetnamento.

If you require any special accommodations, auxiliary aids or other special services or for further information, please call the Office of Senator Vicente (ben) Cabrera Pangelinan at 473-4236/7. For copies of any of the Bills listed on this agenda, you may log on to the Guam Legislature's website at www.guamlegislature.com Testimonies may be submitted directly to our office at 324 West Soledad Avenue in Hagátña or at the Mail Room of the Guam Legislature, via fax at 473-4238, or via email at office@senbenp.com

Lisa Dames
Chief of Staff
I MINA'TRENTAI DOS NA LIHESLATURAN GUAHAN
Senator Vicente (ben) Cabrera Pangelinan
Committee on Appropriations, Public Debt, Legal Affairs, Retirement, Public
Parks, Recreation, Historic Preservation, and Land.
(671) 473-4236 (office)
(671) 473-4238 (fax)
senbenp.com
www.guamlegislature.org

 **Agenda_Dec 20.doc**
50K



Lisa Dames <cipo@guamlegislature.org>

Public Hearing - FIRST Notice

Lisa Dames <cipo@guamlegislature.org>

Fri, Dec 13, 2013 at 1:14 PM

To: news@k57.com, news@guampdn.com, Sabrina Salas <sabrina@kuam.com>, Jason Salas <jason@kuam.com>, Mindy Aguon <mindy@kuam.com>, Krystal Paco <krystal@kuam.com>, clynt@k57.com, Betsy Brown <betsy@k57.com>, Kevin Kerrigan <kevin@k57.com>, Jon Anderson <jontalk@gmail.com>, Jon Anderson <editor@mvguam.com>, "Gerardo R. Partido" <gerry@mvguam.com>, marvic@mvguam.com, louella@mvguam.com, Frank Whitman <frank@mvguam.com>, rgibson@k57.com, ALICIA PEREZ <aliciaperez69@hotmail.com>, Alicia Perez <perezksto@gmail.com>, Gaynor Daleno <gdumat-ol@guampdn.com>, "Daleno, Gaynor D" <gdumat-ol@guam.gannett.com>, Steve Limtiaco <slimtiaco@guampdn.com>, Oyaol Ngirairikl <odngirairikl@guampdn.com>, Jerick Sablan <jpsablan@guampdn.com>, Lifestyles_PD N <lif@guampdn.com>

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2:00pm

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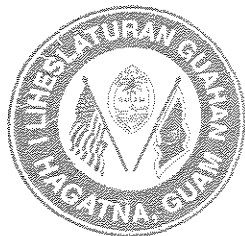
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If you require any special accommodations, auxiliary aids or other special services or for further information, please call the Office of Senator Vicente (ben) Cabrera Pangelinan at 473-4236/7. For copies of any of the Bills listed on this agenda, you may log on to the Guam Legislature's website at www.guamlegislature.com Testimonies may be submitted directly to our office at 324 West Soledad Avenue in Hagåtña or at the Mail Room of the Guam Legislature, via fax at 473-4238, or via email at office@senbenp.com

Lisa Dames
Chief of Staff
I MINA'TRENTAI DOS NA LIHESLATURAN GUAHAN
Senator Vicente (ben) Cabrera Pangelinan
Committee on Appropriations, Public Debt, Legal Affairs, Retirement, Public
Parks, Recreation, Historic Preservation, and Land.
(671) 473-4236 (office)
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the People


I Mina'trentai Dos na Liheslaturan Guåhan

Senator Vicente (ben) Cabrera Pangelinan (D)

December 18, 2013

Memorandum

To: All Senators

From: Senator Vicente (ben) Cabrera Pangelinan 

Re: Public Hearing – SECOND NOTICE

Chairman
Committee on Appropriations,
Public Debt, Legal Affairs,
Retirement, Public Parks,
Recreation, Historic Preservation
and Land

Member
Committee on Education,
Public Libraries
and Women's Affairs

Member
Committee on General
Government Operations and
Cultural Affairs

Member
Committee on Municipal
Affairs, Tourism, Housing and
Hagåtña Restoration and
Development Authority

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

Member
Committee on Aviation, Ground
Transportation, Regulatory
Concerns and Future
Generations

The Committee on Appropriations, Public Debt, Legal Affairs, Retirement, Public Parks, Recreation, Historic Preservation, and Land will conduct a public hearing beginning at **8:30am** and **2:00pm** on **Friday, December 20, 2013** at the Guam Legislature's Public Hearing Room.

The following is the agenda:

8:30 am

Bill No. 231-32 (COR) – Introduced by Senator Tina Muna Barnes: An Act to rezone Lot No. 22, Block No 4, Tract No. 170, West Acres Subdivision, Dededo, Guam from Single-Family Dwelling Zone (R-1) to Multiple-Family Dwelling Zone (R-2).

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**Memo to Senators
December 18, 2013
Page 2**

2:00 pm

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Yanggen un nisisita espiát na setbision, put fabot ágang i Ifisinan Sinadot Vicente (ben) Cabrera Pangelinan gi 473-4236/7. Yanggen un nisisita kopian i priniponi siha ginen este na tareha, hálom gi i uepsait i Liheslaturan Guáhan gi www.guamlegislature.com Yanggen para un na'háлом testigu-mu, chule' para i ifisinan-mâmi gi 324 West Soledad Avenue gi iya Hagátña, pat guatto gi i Kuaatton Katta gi i Liheslatura, pat faks gi 473-4238, patsino imel gi office@senbenp.com Este na nutisiu inapási nu i fendon gubetnamento.

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Lisa Dames <cipo@guamlegislature.org>

Public Hearing - SECOND Notice

Lisa Dames <cipo@guamlegislature.org>
To: PHrg Notice <phnotice@guamlegislature.org>

Wed, Dec 18, 2013 at 11:23 AM

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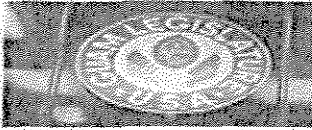
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Chief of Staff
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Lisa Dames <cipo@guamlegislature.org>

Public Hearing - SECOND Notice

Lisa Dames <cipo@guamlegislature.org>

Wed, Dec 18, 2013 at 11:19 AM

To: news@k57.com, news@guampdn.com, Sabrina Salas <sabrina@kuam.com>, Jason Salas <jason@kuam.com>, Mindy Aguon <mindy@kuam.com>, Krystal Paco <krystal@kuam.com>, clynt@k57.com, Betsy Brown <betsy@k57.com>, Kevin Kerrigan <kevin@k57.com>, Frank Whitman <frank@mvguam.com>, marvic@mvguam.com, louella@mvguam.com, rgibson@k57.com, ALICIA PEREZ <aliciaperez69@hotmail.com>, Alicia Perez <perezksfo@gmail.com>, Gaynor Daleno <gdumat-ol@guampdn.com>, "Daleno, Gaynor D" <gdumat-ol@guam.gannett.com>, Steve Limtiaco <slimtiaco@guampdn.com>, Oyaol Ngirairikl <odngirairikl@guampdn.com>, Jerick Sablan <jpsablan@guampdn.com>, Lifestyles_PD N <lfe@guampdn.com>

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As of December 2, 2013**

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Mina'trentai Dos na Liheslaturan Guåhan
32nd GUAM LEGISLATURE
Senator Vicente (ben) Cabrera Pangelinan
Committee on Appropriations, Public Debt,
Legal Affairs, Retirement, Public Parks, Recreation,
Historic Preservation, and Land

**INEKUNGOK PUPBLEKO
(PUBLIC HEARING)**

gi Betnes, gi diha 20 gi Disembre, 2013
Friday, December 20, 2013

Kuáttor Inekungok Pupbleko gi Liheslaturan Guåhan
(Guam Legislature Public Hearing Room)

**TAREHA
(AGENDA)**

alas ocho I media gi egga'an
(8:30 AM)

**Priniponi Siha:
(Bills)**

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32nd GUAM LEGISLATURE
Senator Vicente (ben) Cabrera Pangelinan

Committee on Appropriations, Public Debt, Legal Affairs, Retirement,
Public Parks, Recreation, Historic Preservation, and Land

**INEKUNGOK PUPBLEKO
(PUBLIC HEARING)**

gi Betnes, gi diha 20 gi Disembre, 2013
(Friday, December 20, 2013)

**Kuátton Inekungok Pupbleko gi i Liheslaturan Guahan
(Guam Legislature Public Hearing Room)**

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(AGENDA)**

**alas ocho i media gi egga'an
(8:30 AM)**

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(AGENDA)**

**alas dos gi despues di talo'ani
(2:00 PM)**

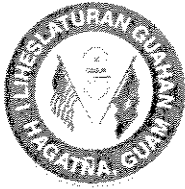
Bill No. 235-32 (COR) - Introduced by Senator Vicente (ben) Cabrera Pangelinan: An Act to add a new Section 19 to Part I, Chapter II of Public Law 32-068 and to amend Section 1303, Chapter 1, Article 3, Title 5 of the Guam Code Annotated, Relative to upholding the intent of i Liheslatura's annual appropriations to the repair and/or renovation of Simon Sanchez High School and for other facilities and Maintenance needs of the GDOE.

Bill No. 206 (COR) - Introduced by Senator BJ Cruz: An Act to Amend Subsection (C) of §26503 of Article 6, Chapter 26, of Title 11 Guam Code Annotated, Relative to Establishing Tax Parity Between Cigarettes and Chewing Tobacco.

Yanggen un nisisita espesial na setbision, put fabot agang i Ifisinan Sinadot Vicente (ben) Cabrera Pangelinan gi 473-4236/7. Yanggen un nisisita kopian i priniponi siha ginen este na tareha, hãlom gi i uepsait i Liheslaturan Guahan gi <http://www.guamlegislature.com> Yanggen para un na hãlom testigu-mu, chule' para i ifisinan-mãmi gi 324 West Soledad Avenue gi tya Hagãña, pat guatto gi i Kuatton Katta gi i Liheslatura, pat faks gi 473-4238, patsino imel gi office@senbenp.com Este na nutisio inapãsi nu i fendon gubetnamento.

If you require any special accommodations, please call the Office of Senator Vicente (ben) Cabrera Pangelinan at 473-4236/7. For copies of any of the Bills or Resolutions listed on this agenda, you may log on to the Guam Legislature's website at <http://www.guamlegislature.com> Testimonies may be submitted directly to our office at 324 West Soledad Avenue in Hagãña or at the Mail Room of the Guam Legislature, via fax at 473-4238, or via email at office@senbenp.com

This ad pay for with government funds.



I Mina'trentai Dos na Liheslaturan Guåhan

32nd GUAM LEGISLATURE

Senator Vicente (ben) Cabrera Pangelinan

Committee on Appropriations, Public Debt, Legal Affairs, Retirement, Public Parks, Recreation, Historic Preservation, and Land

**INEKUNGOK PUPBLEKO
(PUBLIC HEARING)**

gi Betnes, gi diha 20 gi Disembre, 2013
Friday, December 20, 2013

Kuátton Inekungok Pupbleko gi I Liheslaturan Guåhan
(Guam Legislature Public Hearing Room)

**TAREHA
(AGENDA)**

alas ocho I media gi egga'an
(8:30 AM)

Priniponi Siha:
(Bills)

Bill No. 231-32 (COR) – Introduced by Senator Tina Muna Barnes: An Act to rezone Lot No. 22, Block No 4, Tract No. 170, West Acres Subdivision, Dededo, Guam from Single-Family Dwelling Zone (R-1) to Multiple-Family Dwelling Zone (R-2).

Bill No. 232-32 (COR) – Introduced by Senator Tina Muna Barnes: An Act to rezone Lot No. 23, Block No 4, Tract No. 170, West Acres Subdivision, Dededo, Guam from Single-Family Dwelling Zone (R-1) to Multiple-Family Dwelling Zone (R-2).

Bill No. 221-32 (COR) – Introduced by Senator Dennis Rodriguez: An Act relative to rezoning Lot No. 1106-2NEW, Located in the Municipality of Mangilao, from Single-Family Residential (“R-1”) to Commercial (“C”), for purposes of establishing a medical clinic and health care related commercial activity.

Bill No. 172-32 (COR) – Introduced by Senator Brant McCreadie: An Act to create a New Article 6 & 7 to Chapter 90 Title 9, Guam Code Annotated, Relative to the construction and renovation of the Department of Corrections Adult Correctional Facility to ensure the safety of the people of Guam; which shall collectively be cited as “The Department of Corrections Construction Initiative Act of 2013”.



I Mina'trentai Dos na Liheslaturan Guåhan

32nd GUAM LEGISLATURE

Senator Vicente (ben) Cabrera Pangelinan

Committee on Appropriations, Public Debt, Legal Affairs, Retirement, Public Parks, Recreation, Historic Preservation, and Land

**TAREHA
(AGENDA)**

***alas dos gi despues di talo'ani
(2:00 PM)***

Bill No. 235-32 (COR) – Introduced by Senator Vicente (ben) Cabrera Pangelinan: An Act to *add* a new Section 19 to Part I, Chapter II of Public Law 32-068 and to *amend* Section 1303, Chapter 1, Article 3, Title 5 of the Guam Code Annotated, Relative to upholding the intent of *I Liheslatura's* annual appropriations to the Guam Department of Education (GDOE) for every fiscal year and for funding the repair and/or renovation of Simon Sanchez High School and for other facilities and maintenance needs of the GDOE

Bill No. 206 (COR) – Introduced by Senator BJ Cruz: An Act to Amend Subsection (C) of §26603 of Article 6, Chapter 26, of Title 11 Guam Code Annotated, Relative to Establishing Tax Parity Between Cigarettes and Chewing Tobacco.

Yanggen un nisisita spesiåt na setbision, put fabot ågang i Ifisinan Sinadot Vicente (ben) Cabrera Pangelinan gi 473-4236/7. Yanggen un nisisita kopian i priniponi siha ginen este na tareha, hålom gi i uepsait i Liheslaturan Guåhan gi www.guamlegislature.com Yanggen para un na'hålom testigu-mu, chule' para i ifisinan-måmi gi 324 West Soledad Avenue gi iya Hagåtña, pat guatto gi i Kwatton Katta gi i Liheslatura, pat faks gi 473-4238, patsino imel gi office@senbenp.com Este na nutisiu inapåsi nu i fendon gubetnamento.

If you require any special accommodations, auxiliary aids or other special services or for further information, please call the Office of Senator Vicente (ben) Cabrera Pangelinan at 473-4236/7. For copies of any of the Bills listed on this agenda, you may log on to the Guam Legislature's website at www.guamlegislature.com Testimonies may be submitted directly to our office at 324 West Soledad Avenue in Hagåtña or at the Mail Room of the Guam Legislature, via fax at 473-4238, or via email at office@senbenp.com

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COMMITTEE ON RULES

I Mina'trentai Dos na Liheslaturan Guåhan • The 32nd 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

January 13, 2014

Senator
Thomas C. Ada
VICE CHAIRPERSON
ASSISTANT MAJORITY LEADER

Memorandum

To: Rennae Meno
Clerk of the Legislature

Senator
Vicente (Ben) C. Pangelinan
Member

From: Senator Rory J. Respicio
Majority Leader & Rules Chair

Speaker
Judith T.P. Won Pat, Ed.D.
Member

Subject: Fiscal Notes /Waivers

Senator
Dennis G. Rodriguez, Jr.
Member

Hafa Adai!

Vice-Speaker
Benjamin J.F. Cruz
Member

Attached please find the fiscal notes, or waivers for the bill numbers listed below.

Please note that the fiscal notes, or waivers, are issued on the bills as introduced.

Legislative Secretary
Tina Rose Muña Barnes
Member

FISCAL NOTES:

Bill Nos. 235-32 (COR), 236-32 (COR), 237-32 (COR); 239-32 (COR), 240-32 (COR), 241-32 (COR), and 242-32 (COR)

Senator
Frank Blas Aguon, Jr.
Member

WAIVER:

Bill No. 245-32 (COR)

Senator
Michael F.Q. San Nicolas
Member

Senator
V. Anthony Ada
Member
MINORITY LEADER

Please forward the same to MIS for posting on our website. Please contact our office should you have any questions regarding this matter.

Senator
Aline Yamashita
Member

Si Yu'os ma'åse'!

2014 JAN 13 PM 2:38

**BUREAU OF BUDGET & MANAGEMENT RESEARCH**

OFFICE OF THE GOVERNOR
Post Office Box 2950, Hagåtña Guam 96932

EDDIE BAZA CALVO
GOVERNOR

RAY TENORIO
LIEUTENANT GOVERNOR

JOHN A. RIOS
DIRECTOR

JOSE S. CALVO
DEPUTY DIRECTOR

FACSIMILE INFORMATION PAGE

PLEASE DELIVER TO: Senator Rory Respicio

FACSIMILE NUMBER: 472-3547

FROM: BBMR

Total Pages including this page: 15

If you do not receive legible copies of all the pages, please call back as soon

as possible. Phone numbers (671) 475-9412/9450. Fax number (671) 472-2825

RE: Fiscal Note on the following Bill Nos.: 235-32(COR), 236-32(COR), 237-32(COR), 239-32(COR), 240-32(COR), 241-32(COR), 242-32(COR) and Fiscal Note Waiver on the following Bill Nos.: 245-32(COR).

COMMENTS: Fiscal Notes to be picked up via Central Files.

Thank You!

**BUREAU OF BUDGET & MANAGEMENT RESEARCH**OFFICE OF THE GOVERNOR
Post Office Box 2950, Hagåtña Guam 96932EDDIE BAZA CALVO
GOVERNORJOHN A. RIOS
DIRECTORRAY TENORIO
LIEUTENANT GOVERNORJOSE S. CALVO
DEPUTY DIRECTOR

JAN 10 2014

Senator Rory J. Respicio
Chairperson, Committee on Rules
I Mina'trentai Unu na Liheslaturan Guåhan
The 31st Guam Legislature
155 Hesler Place
Hagåtña, Guam 96932

Hafa Adai Senator Respicio:

Transmitted herewith is Fiscal Note on the following Bill Nos.: 235-32(COR), 236-32(COR), 237-32(COR), 239-32(COR), 240-32(COR), 241-32(COR) and Fiscal Note Waiver on the following Bill Nos.: 245-32(COR), ^{242-32(COR)}

If you have any question(s), please do not hesitate to call the office at 475-9412/9106.

JOHN A. RIOS
Director

Enclosures
cc: Senator Vicente (ben) Pangelinan

**Bureau of Budget & Management Research
Fiscal Note of Bill No. 235-32**

AN ACT TO ADD A NEW SECTION 19 TO PART I, CHAPTER II OF PUBLIC LAW 32-068 AND TO AMEND SECTION 1303, CHAPTER 1, ARTICLE 3, TITLE 5 OF THE GUAM CODE ANNOTATED, RELATIVE TO UPHOLDING THE INTENT OF I LIHESLATURA'S ANNUAL APPROPRIATIONS TO THE GUAM DEPARTMENT OF EDUCATION (GDOE) FOR EVERY FISCAL YEAR AND FOR FUNDING THE REPAIR OF SIMON SANCHEZ HIGH SCHOOL AND OFOR OTHER FACILITIES AND MAINTENANCE NEEDS OF THE GDOE.

Department/Agency Appropriation Information	
Dept./Agency Af Education	Dept./Agency Head: Jon Fernandez, Superintendent of
Department's General Fund (GF) appropriation(s) to date:	188,469,835
Department's Other Fund (Specify) appropriation(s) to date:	31,185,576
Total Department/Agency Appropriation(s) to date:	\$219,655,411

Fund Source Information of Proposed Appropriation			
	General Fund:	(Specify Special Fund):	Total:
FY 2013 Unreserved Fund Balance		\$0	\$0
FY 2014 Adopted Revenues	\$591,087,815	\$0	\$591,087,815
FY 2014 Appro. (Bill No. 1(4-S))	(\$591,049,932)	\$0	(\$591,049,932)
Sub-total:	\$37,883	\$0	\$37,883
Less appropriation in Bill	\$0	\$0	\$0
Total:	\$37,883	\$0	\$37,883

Estimated Fiscal Impact of Bill						
	One Full Fiscal Year	For Remainder of FY 2014 (if applicable)	FY 2015	FY 2016	FY 2017	FY 2018
General Fund	\$0	\$0	\$0	\$0	\$0	\$0
(Specify Special Fund)	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$0	\$0	\$0	\$0	\$0

- Does the bill contain "revenue generating" provisions?
If Yes, see attachment / / Yes / x / No
- Is amount appropriated adequate to fund the intent of the appropriation?
If no, what is the additional amount required? \$ _____ / x / N/A / / Yes / / No
- Does the Bill establish a new program/agency?
If yes, will the program duplicate existing programs/agencies? / / Yes / x / No
Is there a federal mandate to establish the program/agency? / x / N/A / / 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:
/ / Requested agency comments not received by due date / / Other: / / Yes / x / No

Analyst:  Date: 12/19/13 Director:  **JAN 10 2014**
John AB Pangelinan, Supervisor John A. Rios, Director

Footnotes:
See attached comment sheet.

Comments on Bill No. 235-32

This proposed legislation is seeking to amend existing mandates as follows: 1) To add a new Section 19 to Part I, Chapter II of Public Law 32-068 which is to reallocate General Fund funding of \$4.0 Million of the Guam Department of Education (GDOE) from its current General Fund appropriation of \$188,469,835, and 2) To limit the Governor of Guam's appropriation reserve policy to 3% for all GDOE appropriations made annually.

Proposed Reallocation of GF Funding for

There is no additional fiscal impact for this proposal; however, the Guam Department of Education would need to reallocate such funding from programs already allocated.

Proposed Governor of Guam's Reserve Policy for GDOE

This authority is vested in accordance with the Organic Act of Guam and various court decisions, which upholds the doctrine of separation of powers. Therefore, it is our understanding that the proposed language to amend Section 1303, Division 1, Chapter 1, Article 3, Title 5 of the Guam Code Annotated, limiting the Governor of Guam to a 3% reserve on Guam Department of Education's annual appropriation is assuming the executive function of the Governor of Guam, which is inconsistent with the Organic Act of Guam and existing court precedents (*Government of Guam v. U.S.A.* [D.C. Guam 1982], Civil Case No. 82-0001; *People v. Camacho*, Sup. Ct. Guam, 1 Guam R.501 [1975]; and followed by *Attorney General of Guam v. Superior Court [Flores, Real Property]*, D.C. Guam, Civil Case No. 79-153 [1980]). This proposed amendment is an administrative change with no fiscal impact associated with the amendment.



COMMITTEE ON RULES

I Mina'trentai Dos na Liheslaturan Guåhan • The 32nd 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
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CHAIRPERSON
MAJORITY LEADER

Senator
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VICE CHAIRPERSON
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Senator
Michael F.Q. San Nicolas
Member

Senator
V. Anthony Ada
Member
MINORITY LEADER

Senator
Aline Yamashita
Member

December 13, 2013

VIA E-MAIL

john.rios@bbmr.guam.gov

John A. Rios
Director
Bureau of Budget & Management Research
P.O. Box 2950
Hagåtña, Guam 96910

RE: Request for Fiscal Notes– Bill Nos. 231-32 (COR), 232-32(COR), 233-32 (COR), 234-32 (COR) and 235-32 (COR)

Hafa Adai Mr. Rios:

Transmitted herewith is a listing of *I Mina'trentai Dos na Liheslaturan Guåhan's* most recently introduced bills. Pursuant to 2 GCA §9103, I respectfully request the preparation of fiscal notes for the referenced bills.

Si Yu'os ma'åse' for your attention to this matter.

Very Truly Yours,

Senator Rory J. Respicio
Chairperson of the Committee on Rules

Attachment (1)

Cc: Clerk of the Legislature

Bill Nos.	Sponsor	Title
231-32 (COR)	T.R. Muña Barnes	An act to rezone Lot no. 22, Block no. 4, Tract no. 170, West Acres subdivision, Dededo, Guam from single-family dwelling (R-1) to multiple-family dwelling (R-2).
232-32 (COR)	T.R. Muña Barnes	An act to rezone Lot no. 23, Block no. 4, Tract no. 170, West Acres subdivision, Dededo, Guam from single-family dwelling (R-1) to multiple-family dwelling (R-2).
233-32 (COR)	Michael F. Q. San Nicolas	An act to require a period for public comment at every public meeting of an agency or instrumentality of the government of Guam, by adding a new §8117 to chapter 8, title 5, Guam Code Annotated.
234-32 (COR)	Michael F. Q. San Nicolas	AN ACT TO REQUIRE THAT THE OFFICE OF TECHNOLOGY ESTABLISH A PROTOCOL TO BACK-UP CRITICAL ELECTRONIC DATA NECESSARY FOR THE EFFICIENT OPERATION OF AGENCIES BY ADDING A NEW SUBSECTION (I) TO §20204.1 OF ARTICLE 2, CHAPTER 20, TITLE 5, GUAM CODE ANNOTATED.
235-32 (COR)	Vicente (ben) C. Pangelinan	AN ACT TO ADD A NEW SECTION 19 TO PART I, CHAPTER II OF PUBLIC LAW 32-068 AND TO AMEND SECTION 1303, CHAPTER 1, ARTICLE 3, TITLE 5 OF THE GUAM CODE ANNOTATED, RELATIVE TO UPHOLDING THE INTENT OF I LIHESLATURA'S ANNUAL APPROPRIATIONS TO THE GUAM DEPARTMENT OF EDUCATION (GDOE) FOR EVERY FISCAL YEAR AND FOR FUNDING THE REPAIR AND/OR RENOVATION OF SIMON SANCHEZ HIGH SCHOOL AND FOR OTHER FACILITIES AND MAINTENANCE NEEDS OF THE GDOE.



COMMITTEE ON RULES

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Senator
Michael F.Q. San Nicolas
Member

Senator
V. Anthony Ada
Member
MINORITY LEADER


Senator
Aline Yamashita
Member

December 13, 2013

MEMORANDUM

To: Rennae Meno
Clerk of the Legislature

Attorney Therese M. Terlaje
Legislative Legal Counsel

From: Senator Rory J. Respicio 
Chairperson of the Committee on Rules

Subject: Referral of Bill Nos. 234-32(COR) & 235-32 (COR)

As the Acting Chairperson of the Committee on Rules, I am forwarding my referral of **Bill Nos. 234-32(COR) & 235-32 (COR)**.

Please ensure that the subject bill is referred, in my name, to the respective committee, as shown on the attachment. I also request that the same be forwarded to all members of *I Mina'trentai Dos na Liheslaturan Guåhan*.

Should you have any questions, please feel free to contact our office at 472-7679.

Si Yu'os Ma'åse!

Attachment

Guam Legislature Clerks Office

From: Senator Rory J. Respicio [cor@guamlegislature.org]
Sent: Friday, December 13, 2013 10:55 AM
To: Guam Legislature Clerks; Rennae Perez; Therese Terlaje
Subject: Referral of Bill Nos. 234-32(COR) & 235-32 (COR)
Attachments: 2013.12.13_REF_B234 & B235.pdf

Hafa adai,

Please disregard all messages prior to this regarding the Referral of Bill No. 234 & 235 (COR) and see updated memo.

Thank you!

December 13, 2013

MEMORANDUM

To: **Rennae Meno**
Clerk of the Legislature

Attorney Therese M. Terlaje
Legislative Legal Counsel

From: **Senator Rory J. Respicio**
Chairperson of the Committee on Rules

Subject: **Referral of Bill Nos. 234-32(COR) & 235-32 (COR)**

As the Chairperson of the Committee on Rules, I am forwarding my referral of **Bill Nos. 234-32(COR) & 235-32 (COR)**.

Please ensure that the subject bill is referred, in my name, to the respective committee, as shown on the attachment. I also request that the same be forwarded to all members of *I Mina'trentai Dos na Liheslaturan Guåhan*.

Should you have any questions, please feel free to contact our office at 472-7679.

Si Yu'os Ma'åse!

Attachment

Cc: Clerk of the Legislature

Bill Nos.	Sponsor	Title	Date Introduced	Date Referred	Cmte Referred
234-32 (COR)	Michael F. Q. San Nicolas	AN ACT TO REQUIRE THAT THE OFFICE OF TECHNOLOGY ESTABLISH A PROTOCOL TO BACK-UP CRITICAL ELECTRONIC DATA NECESSARY FOR THE EFFICIENT OPERATION OF AGENCIES BY ADDING A NEW SUBSECTION (I) TO §20204.1 OF ARTICLE 2, CHAPTER 20, TITLE 5, GUAM CODE ANNOTATED.	12/04/13 3:49pm	12/5/13	Committee on Government and Cultural Affairs
235-32 (COR)	Vicente (ben) C. Pangelinan	AN ACT TO ADD A NEW SECTION 19 TO PART I, CHAPTER II OF PUBLIC LAW 32-068 AND TO AMEND SECTION 1303, CHAPTER 1, ARTICLE 3, TITLE 5 OF THE GUAM CODE ANNOTATED, RELATIVE TO UPHOLDING THE INTENT OF I LIHESLATURA'S ANNUAL APPROPRIATIONS TO THE GUAM DEPARTMENT OF EDUCATION (GDOE) FOR EVERY FISCAL YEAR AND FOR FUNDING THE REPAIR AND/OR RENOVATION OF SIMON SANCHEZ HIGH SCHOOL AND FOR OTHER FACILITIES AND MAINTENANCE NEEDS OF THE GDOE.	12/5/2013 11:11am	12/5/13	Committee on Public Defense, Retirement and Recreation Preservation

--

Majority Leader Rory J. Respicio

Chairperson, Committee on Rules;
Federal, Foreign & Micronesian Affairs;
Human & Natural Resources; and Election Reform
I Mina'Trentai Dos na Liheslaturan Guåhan
155 Hesler Place, Ste. 302
Hagåtña, Guam 96910
Phone: (671) 472-7679
Fax: (671) 472-3547

**I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN
2013 (FIRST) REGULAR SESSION**

Bill No. 235 - 32 (COR)

Introduced by:

V.C. Pangelinan 

AN ACT TO *ADD* A NEW SECTION 19 TO PART I, CHAPTER II OF PUBLIC LAW 32-068 AND TO *AMEND* SECTION 1303, CHAPTER 1, ARTICLE 3, TITLE 5 OF THE GUAM CODE ANNOTATED, RELATIVE TO UPHOLDING THE INTENT OF *I LIHESLATURA'S* ANNUAL APPROPRIATIONS TO THE GUAM DEPARTMENT OF EDUCATION (GDOE) FOR EVERY FISCAL YEAR AND FOR FUNDING THE REPAIR AND/OR RENOVATION OF SIMON SANCHEZ HIGH SCHOOL AND FOR OTHER FACILITIES AND MAINTENANCE NEEDS OF THE GDOE.

BE IT ENACTED BY THE PEOPLE OF GUAM:

1 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds
2 that the sum of Two Hundred Nineteen Million Six Hundred Fifty Five Thousand
3 Four Hundred Eleven Dollars (**\$219,655,411**) was appropriated to the Guam
4 Department of Education (GDOE) in FY 2014 which represents an increase of Six
5 Million Nine Hundred Twenty Five Thousand Fifty Dollars (**\$6,925,050**) above the
6 appropriation *I Liheslatura* provided to the GDOE in FY 2013. *I Liheslatura*
7 further finds that in accordance with the Bureau of Budget and Management
8 Research (BBMR) Circular No. 14-01, a ten percent (10%) reserve has been
9 imposed on all appropriations funded by the General Fund and all Special Funds
10 inclusive of operations which is applicable to the amount appropriated to the
11 GDOE.

2013 DEC - 5 AM 11:11



1 *I Liheslaturan Guåhan* further finds that as a result of BBMR Circular No.
2 13-01 which placed a fifteen percent (15%) reserve on the GDOE appropriation in
3 FY 2013, over Nine Million Dollars (**\$9,000,000**) continues to be reserved and
4 withheld from the GDOE’s Two Hundred Twelve Million Seven Hundred Thirty
5 Thousand Three Hundred Sixty One Dollars (**\$212,730,361**) appropriation in FY
6 2013. *I Liheslatura* believes that such funds reserved and withheld from the GDOE
7 is unjustified as the September 30, 2013 Consolidated Revenue and Expenditure
8 Report filed and certified by the BBMR, the Department of Administration (DOA),
9 and the Department of Revenue and Taxation (DRT) reports that actual General
10 Fund revenues collected exceeds estimated General Fund revenues for FY 2013 by
11 Twenty Three Million Eight Hundred Twenty Seven One Hundred Twenty One
12 Dollars (**\$23,827,121**).

13 *I Liheslaturan Guåhan* further finds that this reserve on the GDOE
14 appropriation for FY 2014 equates to almost Twenty Two Million Dollars
15 (**\$22,000,000**) and that such reserve not only places a burden on the GDOE’s
16 ability to plan and provide adequate facilities and maintenance for the students,
17 teachers, and administrators of the GDOE but also impedes the GDOE’s ability to
18 continue to provide the best education it can to the students of Guam. Such issues
19 have been seen with the facilities and maintenance issues at Simon Sanchez High
20 School (SSHS) which have prompted the Executive Branch and the Office of the
21 Attorney General to respond to the issues raised by students, teachers, and
22 administrators of SSHS.

23 Section 1303, Chapter 1, Article 3, Title 5 of the Guam Code Annotated
24 provides the authority of budget allotment control to the BBMR which has been
25 utilized to impose the ten percent (10%) reserve on the GDOE in FY 2014. *I*
26 *Liheslatura* further finds that although this Section of the Guam Code Annotated is
27 a financial management tool provided by *I Liheslatura* to the Executive Branch,

1 such use of this authority toward the GDOE has not been justified as seen with the
2 reserving of the GDOE appropriation in FY 2013 even though actual revenues
3 were collected in excess of estimates. Furthermore, this same Section of the Guam
4 Code Annotated which provides such authority to the BBMR to manage allotments
5 states, “that sufficient cash *shall* always be released to the Department of Education
6 to provide an adequate public education to every public school student.”

7 *I Liheslaturan Guåhan* does not believe that the use of the management of
8 allotments and the continued reserve placed on the GDOE represents a fair and just
9 use of such authority granted to the Executive Branch by *I Liheslatura* as seen in
10 FY 2013 and that the authority provided to the Executive Branch over the
11 management of GDOE allotments needs to be adjusted in order for the GDOE to
12 be provided the necessary financial resources it needs to plan and provide an
13 adequate education to every public school student, inclusive of the students of
14 SSHS.

15 *I Liheslaturan Guåhan* understands the importance of providing the
16 Executive Branch with the financial management tools it needs to execute the
17 budget of the government of Guam. Such was evident in FY 2014 when *I*
18 *Liheslatura* provided *I Maga'låhen Guåhan* with a lump-sum budget and transfer
19 authority which provides flexibility in managing the finances of the government.
20 But in the interest of prioritizing education and the needs of the GDOE, *I*
21 *Liheslatura* finds that limiting the authority of *I Maga'låhen Guåhan's* and the
22 BBMR's reserve of appropriation authority of the GDOE appropriations will
23 provide a more equitable and fair treatment of the GDOE by the Executive Branch,
24 will ensure steady and adequate flow of critical financial resources to GDOE, and
25 will fully prioritize the education of every public school student.

26 Furthermore, as the necessary funds are provided to the GDOE, *I*
27 *Liheslaturan Guåhan* intends on dedicating approximately Four Million Dollars

1 (\$4,000,000) of the GDOE appropriation for FY 2014 that was reserved by the
2 BBMR to the Facilities and Maintenance Division of the GDOE toward the repair
3 and/or renovation of SSHS and other facilities and maintenance needs of the
4 GDOE.

5 **Section 2.** Section 19 is hereby *added* to Part I, Chapter II of Public Law 32-
6 068 to read:

7 **“Section 19.** The sum of Four Million Dollars (\$4,000,000) *shall* be
8 allocated and allotted from the General Fund appropriation in Section 1 of this Part
9 of this Chapter to the Facilities and Maintenance Division of the GDOE for the
10 repair and/or renovation of the Simon Sanchez High School campus and auxiliary
11 facilities. Any remaining balance *shall* be for other facilities and maintenance
12 needs of the GDOE for FY 2014; §1303 of Chapter 1, Article 3, Title 5 GCA, *shall*
13 *not* apply to the appropriation allocated and allotted in this Section. The funds
14 allocated and allotted in this Section are *not* subject to *I Maga’låhen Guåhan’s*
15 *transfer authority.*”

16 **Section 3.** Section 1303, Division 1, Chapter 1, Article 3, Title 5 of the
17 Guam Code Annotated is hereby *amended* to read:

18 **“§ 1303. Management of Allotments.**

19 In the release of monthly or quarterly allotments by the Bureau of
20 Budget & Management Research from appropriation acts, the Director
21 thereof shall base such allotments on anticipated cash receipts so that the
22 obligations incurred pursuant to such release of periodic allotments shall
23 have sufficient cash for their payment, provided that sufficient cash shall
24 always been released to the Department of Education to provide an
25 adequate public education to every public school student and that *no more*
26 *than three percent (3%) from the Department of Education aggregate fiscal*
27 *year General Fund and Special Fund appropriations may be reserved by the*

1 BBMR. If, by the end of the third quarter of each fiscal year, the actual,
2 aggregate revenue collections of the General and Special Funds
3 appropriated to the Department of Education are not three percent (3%) or
4 more, less than the estimates for that fiscal year, the BBMR shall release all
5 reserves placed on the appropriations of the Department of Education and
6 the BBMR shall not be authorized to reserve from any of the appropriations
7 to the Department of Education for the remainder of the fiscal year.

8 No agency shall contract or agree to spend any money for goods or services
9 or in settlement of a lawsuit or claim in excess of the amount appropriated by the
10 Legislature to that Agency for such goods, services, claim, or settlement, and
11 BBMR shall not allot funds to that agency for the payment of any amount towards
12 such goods, services, claim, or settlement if the total amount of the goods, services,
13 claim, or settlement is more than the amount appropriated or amount allotted by
14 BBMR. Any contract or agreement made in violation hereof shall be void. Any
15 agency head or certifying officer who knowingly contracts or agrees to spend any
16 money in excess of said allotments shall be guilty of a misdemeanor.”

17 **Section 4. Allotment Schedule.** The GDOE shall provide an allotment
18 schedule of the allocation in Section 19, Part I, Chapter II of Public Law 32-068 to
19 the BBMR *no later than* twenty (20) days after the enactment of this Act. Such
20 allotment schedule shall reflect the priorities of the GDOE to include the repair
21 and/or renovation of SSHS and other facilities and maintenance needs of the
22 GDOE. A copy of such allotment schedule shall be provided to the Speaker of *I*
23 *Liheslaturan Guåhan.*

24 **Section 5. Effective Date.** This Act shall be effective upon enactment.

25 **Section 6. Severability.** If any provision of this Act or its application to any
26 person or circumstance is held invalid, the invalidity shall not affect other

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