



COMMITTEE ON RULES

I Mina'trentai Unu na Libeslaturan Guåhan • The 31st Guam Legislature
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2012 NOV 26 AM 10:28 *RR*

Senator
Rory J. Respicio
CHAIRPERSON
MAJORITY LEADER

November 26, 2012

Memorandum

Senator
Judith P. Guthertz
VICE CHAIRPERSON
ASST. MAJORITY LEADER

To: Pat C. Santos
Clerk of the Legislature

MAJORITY
MEMBERS:

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

Speaker
Judith T. Won Pat

Subject: Fiscal Notes

Vice Speaker
Benjamin J. F. Cruz

Hafa Adai!

Senator
Tina Rose Muña Barnes
LEGISLATIVE SECRETARY
MAJORITY WHIP

Attached please find the fiscal notes for the bill numbers listed below. Please note that the fiscal notes, or waivers, are issued on the bills as introduced.

Senator
Dennis G. Rodriguez, Jr.
ASST. MAJORITY WHIP

Bill No.:	461-31 (COR)	523-31 (COR)
	518-31 (COR)	528-31 (COR)
	521-31 (COR)	532-31 (COR)

Senator
Thomas C. Ada

Senator
Adolpho B. Palacios, Sr.

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

Senator
vicente c. pangelinan

MINORITY
MEMBERS:

Si Yu'os ma'åse'!

Senator
Aline A. Yamashita
ASST. MINORITY LEADER

Senator
Christopher M. Duenas

**BUREAU OF BUDGET & MANAGEMENT RESEARCH**

OFFICE OF THE GOVERNOR
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EDDIE BAZA CALVO
GOVERNOR

JOHN A. RIOS
DIRECTOR

RAY TENORIO
LIEUTENANT GOVERNOR

STEPHEN J. GUERRERO
DEPUTY DIRECTOR


NOV 23 2012

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.: 461-31(COR), 518-31(COR), 521-31(COR), 523-31(COR), 528-31(COR), and 532-31(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. 528-31(COR)**

AN ACT TO ADD A NEW CHAPTER 58C TO TITLE 5 OF THE GUAM CODE ANNOTATED, RELATIVE TO THE LEASE OF SCHOOL BUSES FOR GUAM'S SCHOOL CHILDREN ALSO KNOWN AS THE YELLOW SCHOOL BUS PROCUREMENT ACT OF 2012

Department/Agency Appropriation Information	
Dept./Agency Affected: Public Works	Dept./Agency Head: Joanne M.S. Brown
Department's General Fund (GF) appropriation(s) to date:	10,436,028
Department's Other Fund (Specify) appropriation(s) to date: DPW Building & Design Fund - \$500,769; Guam Highway Fund - \$8,659,504	9,160,273
Total Department/Agency Appropriation(s) to date:	\$19,596,301

Fund Source Information of Proposed Appropriation			
	General Fund:	(Specify Special Fund):	Total:
FY 2012 Unreserved Fund Balance ¹		\$0	\$0
FY 2013 Adopted Revenues	\$561,985,725	\$0	\$561,985,725
FY 2013 Appro. (P.L. 31-233 - Substitute Bill 426-31)	(\$562,972,375)	\$0	(\$562,972,375)
Sub-total:	(\$986,650)	\$0	(\$986,650)
Less appropriation in Bill	\$0	\$0	\$0
Total:	(\$986,650)	\$0	(\$986,650)

Estimated Fiscal Impact of Bill						
	One Full Fiscal Year	For Remainder of FY 2013 (if applicable)	FY 2014	FY 2015	FY 2016	FY 2017
General Fund	1/	1/	1/	1/	1/	1/
(Specify Special Fund)	\$0	\$0	\$0	\$0	\$0	\$0
Total	1/	1/	1/	1/	1/	1/

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

Analyst: Angela Flores Date: 11/15/12 Director: John A. Rios Date: 11/15/12
Angela Flores, BMA IV John A. Rios, Director

Footnotes: 1/ See Attachment

**Bureau of Budget & Management Research
Attachment to Fiscal Note No. 528-31 (COR)**

Comments:

The proposed legislation is to add a new Chapter 58C to Title 5 GCA cited as the Yellow School Bus Procurement Act of 2012. A fiscal impact will result in connection with the proposed municipal lease authorization with a contractor for the procurement of at least 123 school busses of which 13 are specifically for students with special needs. The Lease-Back Period is to be mutually agreed upon as may be necessary to amortize the costs associated with the financing, procurement, and preventative maintenance of the busses; however, which shall not be greater than 10 years and with an interest rate not to exceed 4%. Renewal of the lease is subject to the extent that pledged revenue are assigned by the contractor, as appropriate to facilitate issuance of the tax-exempt obligations, or other financial instruments or alternative financing. Rental payments under the lease and the lease-back may be secured by a pledge or other reservation of revenues received by or on behalf of the Government of Guam from the Federal Government per Section 30 of the Guam Organic Act (48 U.S.C.A., Section 1421h, limited to \$1,717,448 per year during the Lease-Back Period). Section 58C109 as proposed, provides for corrective and consumable repairs which shall be under a separate agreement (separate cost) which is not provided under the preventative maintenance agreement with the contractor. Additional impacts may result which cannot be determined at this time, to include determination of the best buy for the government whether through lease of busses, or through government purchase. Section 58C108 as proposed, identifies "rental payments" under the lease, and as such, it may be construed that the busses under the proposed municipal lease are intended not to be government-owned by the end of the municipal lease period (i.e. no specific language that busses are intended to be government-owned). Based on current information, an estimated cost of \$110,000 and maintenance of \$10,000, or a total of \$120,000, is the cost per bus (i.e. bulk purchase). This amounts to an estimate of \$1,200,000 per year for 10 government-owned busses which has been applied for under a grant application by the Department of Public Works.