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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

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April 12, 2013

Memorandum

To: Rennae Meno
Clerk of the Legislature

From: Senator Rory J. Respicio 
Chairperson, Committee on Rules

Subject: Fiscal Notes

Hafa Adai!

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.

FISCAL NOTES:

Bill Nos.: 15-32 (COR), 25-32 (COR), 68-32 (COR), and 71-32 (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'!

2013 APR 12 PM 4:45

RMM

**BUREAU OF BUDGET & MANAGEMENT RESEARCH**

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

EDDIE BAZA CALVO
GOVERNOR

JOHN A. RIOS
DIRECTOR

RAY TENORIO
LIEUTENANT GOVERNOR


APR 12 2013

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.: 15-32(COR), 25-32(COR), 68-32(COR), and 71-32(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. 25-32 (COR)**

AN ACT TO REPROGRAM AVAILABLE FUNDS FROM THE HIGHWAY 2001 BOND CONSTRUCTION FUND AND THE HIGHWAY 1985 BOND CONSTRUCTION FUND, AND DESIGNATE AND PRIORITIZE CERTAIN CAPITAL IMPROVEMENT PROJECTS, AND PURCHASE HEAVY EQUIPMENT NEEDED BY DPW FOR FLOOD MITIGATION.

Department/Agency Appropriation Information	
Dept./Agency Affected: Public Works	Dept./Agency Head: Carl Dominguez, Director
Department's General Fund (GF) appropriation(s) to date:	9,774,206
Department's Other Fund (Specify) appropriation(s) to date: DPW Building & Design Fund \$500,769, Guam Highway Fund \$8,659,504 (not included are appropriations under DOA to pay GPA for Public Streetlights: Street Light Fund \$3,590,261, Guam Highway Fund \$3,709,739)	9,160,273
Total Department/Agency Appropriation(s) to date:	\$18,934,479

Fund Source Information of Proposed Appropriation			
	General Fund:	Limited Obligation Highway Bond 2001A-CPF 1/	Total:
FY 2012 Unreserved Fund Balance ¹		\$1,427,916	\$1,427,916
FY 2013 Adopted Revenues	\$0	\$0	\$0
FY 2013 Appro. (P.L. 31-233)	\$0	\$0	\$0
Sub-total:	\$0	\$1,427,916	\$1,427,916
Less appropriation in Bill	\$0	(\$1,112,167)	(\$1,112,167)
Total:	\$0	\$315,749	\$315,749

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	\$0	\$0	\$0	\$0	\$0	\$0
Limited Obligation Highway Bond 2001A-CPF 1/	\$0	\$1,112,167	\$0	\$0	\$0	\$0
Total	\$0	\$1,112,167	\$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? \$ 1/ / / 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? / / Yes /X/ No
- Was Fiscal Note coordinated with the affected dept/agency? If no, indicate reason: /X/ Yes / / No
/ / Requested agency comments not received as of the due date / / Other:

Analyst: Angela Flores, BMA IV Date: 4/9/13 Director: John A. Rios, Director Date: 4/10/13

Footnotes: 1/ The bill language identifies the reprogramming and appropriation of Highway 2001 Bond Construction Fund and the Highway 1985 Bond Construction Fund which are merged based on law and accounted for under the Limited Obligation Highway Bond 2001A-CPF. The Limited Obligation Highway Bond 2001A-CPF Unreserved Balance is based on (Unaudited) Financial Statement for the period ending September 30,2012, which reflects a fund balance of \$1,427,915.90, subject to any authorized fund movements.

Comments on Bill No. 25-32 (COR)

The bill is seeking to reprogram available funds in the aggregate sum of \$1,112,167.25 to fund costs for certain capital improvement projects, heavy equipment needs, and flood mitigation purposes.

The original intent of the bond funding was to address pot hole repair and village streets, which are the responsibility of the Department of Public Works (DPW), separate from routed road highway related projects which are funded under the Federal highway program. Based on Section 2 of the bill, which appears as intended for DPW, a reprogramming of available bond funds will go toward specified village repairs under Item Nos. 1 (flood mitigation, Taitano Street, Harmon); 2 (flood mitigation residential unit, Barrigada); 4 (flood mitigation at access road, Dededo village); and 6 (flood mitigation, Yigo village). Funds are also being identified for other flood mitigation purposes under Item Nos. 3 (purchase of excavator); 5 (purchase of backhoe); and 7 (for various DPW flood mitigation work island-wide (unspecified village locations).

Section 3 stipulates that prior to use of funds for purposes identified Section 2, DPW and the Department of Administration must certify that the capital projects initially authorized under the bond funds are completed. Additionally, information from the Guam Economic Development Authority Bond Counsel, reflects that "Because the 2001 bonds are fully paid, the Indenture no longer governs the funds..."

It is noted that the 2009 Village Streets Master Plan (VSMP) was developed to assist the Government of Guam by establishing baseline for needed improvements on the roadways that connect to the federally funded routed road network. However, per the DPW Acting Highway Administrator, amounts identified under the proposed legislation for the villages may not necessarily be related to projects under the VSMP.

The Yigo Mayor identified possible allocation of \$150,000 under Item No. 6 of Section 2 for flood mitigation (ponding basin) Marianas Terrace/ Chalan Goro Elena (VSMP list) / East Gayinero (VSMP list).

The Limited Obligation Highway Bond 2001A-CPF Unreserved Balance is based on (Unaudited) Financial Statement for the period ending September 30,2012, which reflects a fund balance of \$1,427,915.90, subject to any authorized fund reservation.