



COMMITTEE ON RULES

I Mina'trentai Dos na Liheslaturan Guåhan • The 32nd Guam Legislature
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February 25, 2013

Memorandum

To: Reanne Meno
Clerk of the Legislature

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

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.

Bill Nos.: 21-32 (COR), 40-32(COR), 41-32(COR), and 44-32(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 FEB 25 PM 4:44
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**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

FACSIMILE INFORMATION PAGE

PLEASE DELIVER TO: Senator Rory Respicio

FACSIMILE NUMBER: 472-3547

FROM: BBMR

Total Pages including this page: 8

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 Waiver on the following Bill Nos.: 21-32(COR), 40-32(COR), 41-32(COR), and 44-32(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 GOVERNOR**FEB 25 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.: 21-32(COR), 40-32(COR), 41-32(COR), and 44-32(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. 44-32 (COR)**

AN ACT TO AMEND §23111(g)(2) OF CHAPTER 23, DIVISION 2, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING THE USE OF MILEAGE EARNED THROUGH CREDIT CARD PURCHASES AUTHORIZED BY THE GOVERNMENT OF GUAM, TO SUPPORT STUDENT TRAVEL INVOLVING ACADEMIC, SPORTS, AND CULTURAL ACTIVITIES.

Department/Agency Appropriation Information	
Dept./Agency Affected: Guam Department of Education	Dept./Agency Head: Jon Fernandez, Superintendent of
Department's General Fund (GF) appropriation(s) to date:	184,627,406
Department's Other Fund (Specify) appropriation(s) to date: TEFF and HFF	31,535,708
Total Department/Agency Appropriation(s) to date:	\$216,163,114

Fund Source Information of Proposed Appropriation			
	General Fund:	(Specify Special Fund):	Total:
FY 2012 Unreserved Fund Balance ¹		\$0	\$0
FY 2013 Adopted Revenues	\$0	\$0	\$0
FY 2013 Appro. (P.L. 31-233)	\$0	\$0	\$0
Sub-total:	\$0	\$0	\$0
Less appropriation in Bill	\$0	\$0	\$0
Total:	\$0	\$0	\$0

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	\$184,627,406	\$0	\$0	\$0	\$0
(Specify Special Fund)	\$0	(\$82,500)	\$0	\$0	\$0	\$0
Total	\$0	\$184,544,906	\$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? // N/A /x/ 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? // 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 as of the due date /x/ Other: insufficient time due deadline

Analyst: <u>John AB Pangelinan</u>	Date: <u>2/20/13</u>	Director: <u>John A. Rios, Director</u>	Date: <u>FEB 25 2013</u>
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Footnotes:
See attached comments.

Comments on Legislative Bill No. 44-32 (COR)

The bill is seeking to transfer approximately 10 Million in air travel mileage which is separate and apart from those air travel miles identified by P.L. 31-117. Such air miles will be used to fund student travel involving academics, sports and cultural activities as approved by the Superintendent of Education. Because such air travel mileage is earned by the Government of Guam, specific airlines serving Guam may charge a transfer fee for transferring from Government of Guam to each student, resulting in significant fiscal impact to the annual appropriations of the Guam Department of Education. As an example, Delta Airlines charge a fee of \$0.01 per mile plus \$30.00 transaction fees. Using this as example, the potential fiscal impact could be as low as \$70,000, based on the following assumptions:

- Transfer fees used by Delta Airlines are \$0.01 per mile plus a \$30 transaction fees.
- In a given fiscal year, approximately 500 students will travel to the United States, all using the travel mileage available for GDOE that Delta has agreed to accommodate.
- Approximately 5,500,000 travel air miles will be consumed by these 500 students.
- Each student is a separate transaction fee.

For United Continental, the potential fiscal impact can be as high as \$82,500, which is based on a transfer cost \$15 per increments of 1,000 air miles for a total Mileage Plus transfer of 5,500,000.

Both airlines do have a limitation of 4 transfer events per account which means that the Department of Administration will need to negotiate with the airlines to allow unlimited transfers under the Government of Guam account.

Both the