



COMMITTEE ON RULES

I Mina'trentai Tres na Liheslaturan Guåhan • The 33rd Guam Legislature

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July 10, 2015

Memorandum

To: Rennae Meno
Clerk of the Legislature

From: Senator Thomas C. Ada 
Acting Chairperson of the 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 are issued on the bills as introduced.

FISCAL NOTES:

Bill No. 85-33 (COR)

Bill No. 128-33 (COR)

Bill No. 131-33 (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'!

**Bureau of Budget & Management Research
Fiscal Note of Bill No. 131-33 (COR)**

AN ACT AUTHORIZING THE DEPARTMENT OF INTEGRATED SERVICES FOR INDIVIDUALS WITH DISABILITIES (DISID) TO PARTNER WITH A PRIVATE EDUCATIONAL ENTITY FOR THE PURPOSE OF RECONSTRUCTING THE FORMER DEPARTMENT/DIVISION OF VOCATIONAL REHABILITATION FACILITY TO PROVIDE SERVICES FOR INDIVIDUALS WITH DISABILITIES AND JOB TRAINING PROGRAMS.

Department/Agency Appropriation Information	
Dept./Agency Affected: DISID	Dept./Agency Head: Benito Servino
Department's General Fund (GF) appropriation(s) to date:	1,245,705
Department's Other Fund (Specify) appropriation(s) to date:	-
Total Department/Agency Appropriation(s) to date:	\$1,245,705

Fund Source Information of Proposed Appropriation			
	General Fund:	(Specify Special Fund):	Total:
FY 2014 Unreserved Fund Balance		\$0	\$0
FY 2015 Adopted Revenues	\$0	\$0	\$0
FY 2015 Appro. (P.L. 32-181 thru 33-07)	\$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 2015 (if applicable)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund	1/	\$0	\$0	\$0	\$0	\$0
(Specify Special Fund)		\$0	\$0	\$0	\$0	\$0
Total	1/	\$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? \$ _____ / / 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 / / No
Is there a federal mandate to establish the program/agency? / / Yes / / 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: /x/ Yes / / No
/ / Requested agency comments not received by due date / / Other:

Analyst: <u>Nancy L. Mesa</u> Date: <u>9/30/15</u>	Director: <u>[Signature]</u> S. Calvo, Director	JUL 10 2015
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Footnotes:
1/ See attached comments.

Comments on Bill No. 131-33 (COR)

Bill No. 131-33 (COR) if enacted into law, authorizes the Department of Integrated Services for Individuals with Disabilities (DISID) to accept proposals and contract with a community partner for the design and construction of a facility that can both meet the community partner's needs and accommodate the office of DISID and facilities that include, but not limited to, a Community Resource and a Wellness Center on Lot 5138-2-R2NEW-1 in the municipality of Tamuning. Bill No. 131-33 stipulates the following with regards to the Lease and Lease Back:

- DISID is authorized to lease Lot 5138-2-R2NEW-1 to its community partner for a period not to exceed forty (40) years. The community partner will provide office and other space required by DISID in lieu of lease payment for the land.
- The community partner will own a leasehold estate in the property and operate and maintain the facility for the duration of the lease. The community partner shall be a private corporation or association licensed to do business on Guam to provide educational, vocational, apprenticeship, job skills and any other employment related training.
- DISID, as a condition of the lease and at any time within the duration of the lease, may relinquish its right to occupy and use the space provided to any other agency of the Government of Guam.
- The community partner may cease its operations at any time. If the community partner ceases operations, the ownership of the leasehold shall revert to the DISID. The community partner may not sell or otherwise transfer its leasehold interest in the property without the consent of I Liheslaturan Guåhan.

Upon the completion of the facility, DISID and its community partner shall adhere to the following conditions:

- The community partner shall:
 1. Maintain the building according to occupancy standards of the laws of Guam;
 2. Maintain adequate insurance on the building/structure;
 3. Maintain common areas, and
 4. Indemnify DISID and the Government of Guam from any liability.
- DISID shall:
 1. Maintain adequate insurance on the contents of the portion of space that it occupies and uses;
 2. Pay all utilities for the portion of space that it occupies and uses, and
 3. Install and maintain an office security system for the portion of space that it occupies and uses.

In lieu of lease payments for the land, the community partner will provide office and other space required by DISID. DISID currently is leasing private office space in the Capitol of Hagatna to house the operations of its program services at a cost of \$364,344 a year. Of the aforementioned amount,

\$175,464 is funded by the General Fund and \$188,880 from the Vocational Rehabilitation Services (VR) federal matching grant. Once DISID moves into its new facility in Tamuning, the monies earmarked for office space rental can be reprogrammed to pay for utilities, office security system and adequate insurance on the contents, for the portion of space that it occupies and uses, as called for in the proposed legislation.

The Community Partner, as owner of a leasehold estate in the property (Lot 5138-2-R2NEW-1), can generate revenues by renting out to the general public, additional office space, conference and training rooms in the new facility and provide career training programs to DVR clients which can be charged against VR grants administered by DISID.

Per information from DISID, the proposed Public/Private Partnership with an entity that provides educational, vocational, apprenticeship, job skills and any other employment related training would foster greater community integration and help Clients of DISID to better compete for higher paying jobs. Clients from the Vocational Rehabilitation Services (VR) Program could be hired and trained to provide custodial services at the new facility; students from JFK High School can benefit by providing Service Learning hours and serving as Mentors or Peer Trainers for DISID Clients; and the new facility could also serve as a transportation hub for the Guam Regional Transit Authority (GRTA) whereby passengers could be dropped off to receive employment related training from the community partner and to also apply and receive Vocational Rehabilitation and Support Services.