



# COMMITTEE ON RULES

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

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June 20, 2016

## Memorandum

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

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

**Subject:** **Fiscal Note**

*Hafa Adai!*

Attached please find the fiscal note for the bill number listed below.  
Please note that the fiscal note is issued on the bill as introduced.

**FISCAL NOTE:**  
Bill No. 177-33(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'!*

2016 JUN 21 AM 10:06

**Bureau of Budget & Management Research  
Fiscal Note of Bill No. 177-33 (COR)**

**AN ACT TO AMEND SECTION 6 OF CHAPTER XI OF PUBLIC LAW 33-66; RELATIVE TO PROVIDING INCENTIVE REWARDS FOR RETIREES TO ENROLL IN THE GOVERNMENT OF GUAM HEALTH INSURANCE RETIREE SUPPLEMENTAL PLAN.**

Department/Agency Appropriation Information	
Dept./Agency Affected: Government of Guam Retirement Fund (GGRF)	Dept./Agency Head: Paula M. Blas, Director
Department's General Fund (GF) appropriation(s) to date:	34,869,981
Department's Other Fund (Specify) appropriation(s) to date: Section 2718	1,200,000
<b>Total Department/Agency Appropriation(s) to date:</b>	<b>\$36,069,981</b>

Fund Source Information of Proposed Appropriation			
	General Fund: 1/	Section 2718 Fund 1/	Total:
FY 2015 Unreserved Fund Balance		\$0	\$0
FY 2016 Adopted Revenues	\$0	\$1,200,000	\$1,200,000
FY 2016 Appro. (P.L. 33-66 thru P.L. 33-150)	\$0	(\$1,200,000)	(\$1,200,000)
Sub-total:	\$0	\$0	\$0
Less appropriation in Bill	\$0	(\$150,000)	(\$150,000)
<b>Total:</b>	<b>\$0</b>	<b>(\$150,000)</b>	<b>(\$150,000)</b>

Estimated Fiscal Impact of Bill						
	One Full Fiscal Year	For Remainder of FY 2016 (if applicable)	FY 2017	FY 2018	FY 2019	FY 2020
General Fund	\$0	\$0	1/	\$0	\$0	\$0
Section 2718 Fund 1/	\$0	\$0	\$150,000	\$0	\$0	\$0
<b>Total 1/</b>	<b>\$0</b>	<b>\$0</b>	<b>\$150,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

- 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? \$ // 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  
/X/ Requested agency comments not received by due date / / Other:

Analyst: <i>William F. Taithe</i> William F. Taithe, BMA Supvr.	Date: <i>6/14/16</i>	Director: <i>Jose S. Calvo</i> Jose S. Calvo, Director	Date: <i>6/16/16</i>
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Footnotes:  
1/ See attached comments.

**Comments on Bill No. 177-33 (COR)**

Bill No. 177-33 proposes to amend Section 6 of Chapter XI of Public Law 33-66; relative to providing incentive rewards for retirees to enroll in the Government of Guam Health Insurance Retiree Supplemental Plan. Section 1(b) of the proposed legislation stipulates that *not more than* \$150,000 shall be allocated from the appropriation in Section 6(a) of this Chapter to the Government of Guam Retirement Fund (GGRF) for the *sole* purpose of providing incentive rewards for eligible Government of Guam retirees who enroll in any Retiree Supplemental Insurance Agreement offered under the Fiscal Year 2016 Government of Guam Health Insurance Program. The incentive rewards *may* be in the form of cash or gift certificate and *shall* be payable in equal amounts to each individual enrollee's name in a manner and form as determined by GGRF. This Act *shall* be effective either on October 1, 2016 or upon enactment, whichever is *later*.

The following are concerns in regards to Bill No. 177-33:

1. The proposed legislation stipulates that not more than \$150,000 shall be allocated from the appropriation in Section 6(a) of this Chapter to the Government of Guam Retirement Fund (GGRF) for the *sole* purpose of providing incentive rewards for eligible Government of Guam retirees who enroll in any Retiree Supplemental Insurance Agreement offered under the Fiscal Year 2016 Government of Guam Health Insurance Program.
  - a. Section 6(a) contains two (2) separate appropriations from two (2) separate fund sources, namely \$23,005,981 from the General Fund and \$1,200,000 from the Section 2718 Fund, but the proposed legislation does not specify which appropriation is to be tapped.
  - b. A review of the two (2) appropriation accounts for FY2016 indicate the General Fund appropriation to be fully expended and the Section 2718 Fund to have an available balance of \$234,036.49 as of June 16, 2016. Based on the current year-to-date-expenditures of both appropriation accounts, an appropriation shortfall of \$16.6M is anticipated for FY2016. Although funds are currently available under the Section 2718 Fund, the proposed reduction of \$150,000 would only exacerbate the anticipated shortfall.
  - c. Based on the FY2015 count of 2,877 of retirees enrolled in the Government of Guam Health Insurance Plan and the proposed \$150,000 allocation for the Incentive Rewards Program, an estimated amount to be paid out in cash or gift certificate is \$52.00. The aforementioned amount of \$52.00 of course can decrease or increase based on the number of retirees who enroll in any Retiree Supplemental Insurance Agreement offered under the Fiscal Year 2016 Government of Guam Health Insurance Program. Information was unavailable from the Government of Guam Retirement Fund regarding the proposed Incentive Rewards Plan.

2. The proposed legislation stipulates that the effective date *shall* either be on October 1, 2016 or upon enactment, whichever is *later*. The \$150,000 for the proposed Incentive Rewards Program is identified from appropriations contained in P.L. 33-66 and said appropriations shall be available to pay for obligations incurred on or before October 1, 2015, but no later than September 30, 2016, which is Fiscal Year 2016. Therefore, it should be noted that October 1, 2016 is the start of Fiscal Year 2017.