



COMMITTEE ON RULES

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

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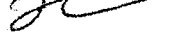
V. Anthony Ada
MINORITY LEADER

Mary C. Torres
MINORITY MEMBER

June 10, 2016

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. 311-33(COR)

Bill No. 312-33(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'!

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**Bureau of Budget & Management Research
Fiscal Note of Bill No. 312-33 (COR)**

AN ACT TO REPEAL AND REENACT §3105 OF ARTICLE 1, CHAPTER 3 OF TITLE 22, GUAM CODE ANNOTATED, RELATIVE TO RESPONSIBLY RAISING THE MINIMUM WAGE.

Department/Agency Appropriation Information	
Dept./Agency Affected: Government of Guam	Dept./Agency Head: Eddie Baza Calvo, Governor of Guam
Department's General Fund (GF) appropriation(s) to date:	665,042,150
Department's Other Fund (Specify) appropriation(s) to date: Various	200,770,024
Total Department/Agency Appropriation(s) to date:	\$865,812,174

Fund Source Information of Proposed Appropriation			
	General Fund:	(Specify Special Fund):	Total:
FY 2015 Unreserved Fund Balance		\$0	\$0
FY 2016 Adopted Revenues	\$0	\$0	\$0
FY 2016 Appro. (P.L. 33-66 thru P.L. 33-149)	\$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 2016 (if applicable)	FY 2017	FY 2018	FY 2019	FY 2020
General Fund	\$0	\$0	1/	1/	\$0	\$0
(Specify Special Fund)	\$0	\$0	1/	1/	\$0	\$0
Total	\$0	\$0	1/	1/	\$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? \$ _____ /x/ 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 by due date / / Other:

Analyst: Dina P. Rivera Date: 6-6-16 Director: Jose S. Calvo Date: 6-7-16
Dina P. Rivera Jose S. Calvo, Director

Footnotes:
1/ See attached comments.

COMMENTS TO BILL No. 312-33(COR)

The proposed bill is seeking to raise the minimum wage from \$8.25 to \$10.10 per hour over the next two years. The first proposed increase of \$9.20 per hour to be effective on January 1, 2017. The second proposed increase of \$10.10 per hour to be effective on January 1, 2018. This represents an increase in the minimum wage of .95 cents for the first year and then .90 cents for the second year.

Per on-line information on the "Employment and Wage Data collected by BLS Occupational Employment Statistics Program" (Statistics of May 2015), the estimated GovGuam workforce number at or below wage of \$10.10p/h is 1,379 and 791 employees at or below \$9.15p/h.

Given the above data, the Bureau makes the following assumptions:

- 1) During the first year of passage of this legislation, 791 GovGuam employees would be affected.

- 2) During the second year of implementation, there would be 2,170 GovGuam employees affected. This includes the first group of 791 employees and the second group of 1,379 employees, assuming the number of affected employees remain the same by the 2nd year.

Based on the above assumptions, the total annual increase for Salary and Benefits is estimated for the 1st and 2nd year of implementation as presented on the tables below:

FY 2017	No. of Employees	Annual Increase of .95cents (from \$8.25p/h to \$9.20p/h)	Benefits at 29.12%	Total Estimated Increase
Year 1	791	\$751,450	\$218,822	\$970,272

FY 2018	No. of Employees	Annual Increase of .90cents (from \$9.20p/h to \$10.10p/h)	Benefits at 29.12%	Total Estimated Increase
Year 2	1,379	\$1,241,100	\$361,408	\$1,602,508

In addition, per information received from the Department of Labor (DOL) on the status of the "Minimum Wage Study" as required by P.L. 32-178, the Request for Proposal (RFP) was released on April 1, 2016. Once a selection is made based on the RFP, a reasonable time would be required to collect the appropriate data and conduct a comprehensive analysis of the findings. The proposal calls for the study to be completed within 90 days of the award date. DOL further notes that if Bill No. 312-33 is enacted into public law, it will impact on the delivery of job training programs that are 100% federally funded such as programs under its Workforce Innovation Opportunity Act (WIOA) and the Senior Community Service Employment Program (SCSEP) by reducing the number of participants eligible to enroll.