

*I Mina'Trentai Tres Na Liheslaturan Received*  
**Bill Log Sheet**

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES
389-33 (COR)	B. J.F. Cruz	AN ACT TO APPROPRIATE FISCAL YEAR 2016 GENERAL FUND REVENUES TO THE GOVERNMENT OF GUAM RETIREMENT FUND, TO AMEND SECTION 6 OF CHAPTER XI AND SECTION 8, CHAPTER I OF PUBLIC LAW 33-66 RELATIVE TO THE PAYMENT OF FISCAL YEAR 2016 RETIREE MEDICAL, DENTAL, AND LIFE INSURANCE EXPENSES AND TO PROVIDE A CASH CONTINGENCY FOR ANTICIPATED FISCAL YEAR 2017 RETIREE MEDICAL, DENTAL, AND LIFE INSURANCE EXPENSES.	10/20/16 9:11 a.m.	10/20/16	Committee on Appropriations and Adjudication			Fiscal Note Request 10/21/16 Fiscal Note 12/05/16



# COMMITTEE ON RULES

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

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December 5, 2016

## Memorandum

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

**From:** **Senator Thomas C. Ada** *TC*  
*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. 388-33(COR)
- Bill No. 389-33(COR)
- Bill No. 398-33(COR)
- Bill No. 399-33(COR)
- Bill No. 400-33(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'äse'!*

2016 DEC -5 PM 1:40

**Bureau of Budget & Management Research  
Fiscal Note of Bill No. 389-33 (COR)**

**AN ACT TO APPROPRIATE FISCAL YEAR 2016 GENERAL FUND REVENUES TO THE GOVERNMENT OF GUAM RETIREMENT FUND, TO AMEND SECTION 6 OF CHAPTER XI AND SECTION 8, CHAPTER I OF PUBLIC LAW 33-66 RELATIVE TO THE PAYMENT OF FISCAL YEAR 2016 RETIREE MEDICAL, DENTAL, AND LIFE INSURANCE EXPENSES AND TO PROVIDE A CASH CONTINGENCY FOR ANTICIPATED FISCAL YEAR 2017 RETIREE MEDICAL, DENTAL, AND LIFE INSURANCE EXPENSES.**

Dept./Agency Affected: Department of Administration		Dept./Agency Head: Christine Baletto, Director	
Department's General Fund (GF) appropriation(s) to date:		10,653,059	
Department's Other Fund appropriation(s) to date: Indirect Cost Fund (\$1,006,894) and Limited Gaming Fund (\$100,095)		1,106,989	
<b>Total Department/Agency Appropriation(s) to date:</b>		<b>\$11,760,048</b>	

**Fund Source Information of Proposed Appropriation**

	General Fund:	Special Fund:	Total:
FY 2016 Unreserved Fund Balance		\$0	\$0
FY 2017 Adopted Revenues	\$0	\$0	\$0
FY 2017 Appro. (P.L. 33-185 thru _____)	\$0	\$0	\$0
Sub-total:	\$0	\$0	\$0
Less appropriation in Bill	\$0	\$0	\$0
<b>Total:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Estimated Fiscal Impact of Bill**

	One Full Fiscal Year	For Remainder of FY 2017 (if applicable)	FY 2018	FY 2019	FY 2020	FY 2021
General Fund	1/	\$0	\$0	\$0	\$0	\$0
Special Fund	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>1/</b>	<b>\$0</b>	<b>\$0</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? / 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  
/ X / Requested agency comments not received by due date / / Other:

Analyst: Jason Baza Date: 11/16/16 Director: [Signature] Date: DEC 05 2016  
Jason Baza, BMA II Rose S. Calvo, Director

Notes:  
1/ See attached comments.

BUREAU OF BUDGET AND MANAGEMENT RESEARCH  
COMMENTS ON BILL NO. 389-33 (COR)

The proposed legislation intends to appropriate funds from the 2% General Fund reserve cap implemented in the FY 2016 Budget Act (P.L. 33-66) for the purpose of paying FY 2016 retiree medical, dental, and life insurance expenses. Additionally, the proposed legislation seeks to amend Section 8, Chapter 1, P.L. 33-66 to appropriate Section 30 funds collected in FY 2017 (rather than FY 2016) to the Rainy Day Fund for the purpose of establishing a cash contingency account for the government of Guam bi-weekly payroll and cost of living allowance shortfalls.

The 2% General Fund reserve cap in FY 2016 amounted to \$13,572,289. The 2% reserve cap was netted out of the total adopted General Fund revenue available anticipated to be collected in FY 2016, which amounted to \$824,998,002. The proposed legislation states that the AS400 financial management system indicated that the government of Guam collected \$824,938,308 (\$59,694 less than FY 2016's adopted level). Because the total General Fund revenue collected in FY 2016 was \$59,694 short of the adopted level, the proposed legislation seeks to appropriate the net of what was set aside for the 2% reserve cap and the shortfall of revenues actually collected in FY 2016, or \$13,512,595. It should be noted that, per the September 2016 CRER, it was reported that the Government of Guam collected \$823,643,455 in General Fund revenues, or \$1,354,548 less than what was adopted.

The proposed legislation also amends Section 8, Chapter 1, of P.L. 33-66 on the use of excess Section 30 funds in FY 2017. Rather than appropriating excess FY 2016 Section 30 funds to a new Rainy Day Fund, the legislation appropriates excess FY 2017 Section 30 funds (adopted level of \$74,900,290) to the said Fund to establish a cash contingency account. Such funds would only be used for Government of Guam bi-weekly payroll, cost of living allowance shortfalls and / or retiree medical, dental, and life insurance expenses. However, access to such funds would require the issuance of an Executive Order by the Governor to be delivered to the Speaker of the Legislature declaring an emergency. It should be noted that such conditions may not only have an adverse impact on the Governor's ability to effectively manage executive branch operations but also the Department of Administration's ability to manage cash to pay for the same obligations outlined in the bill (bi-weekly payroll, medical, dental, life insurance expenses, etc.).

In addition, the Bureau would like to highlight that Section 2 of the proposed legislation indicates that available funds from the FY 2016 2% reserve will be appropriated for medical, dental, and life insurance premiums for only Judiciary of Guam retirees. Although the intent of the proposed legislation is to address *all* retiree medical, dental, and life insurance premiums, Section 2 places a restriction on which retirees will be covered through the subject appropriation. It should be noted that Section 6, Chapter 11, P.L. 33-66 appropriates funds for retiree group medical, dental, and life insurance premiums *to include* the premiums for Judiciary of Guam retirees and not for the *sole* purpose of Judiciary of Guam retirees.