



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. 85-33 (COR)**

AN ACT TO AUTHORIZE THE GUAM REGIONAL TRANSIT AUTHORITY (GRTA) TO ENTER INTO A LONG TERM PUBLIC-PRIVATE PARTNERSHIP THAT WILL ENABLE AN INVESTOR FINANCED IMPLEMENTATION OF THE GOVERNMENT OF GUAM TRANSIT BUSINESS PLAN 2009-2015.

Department/Agency Appropriation Information	
Dept./Agency Affected: Guam Regional Transit Authority	Dept./Agency Head: Enrique Agustin, Executive Manager
Department's General Fund (GF) appropriation(s) to date:	-
Department's Other Fund (Guam Highway Fund, Public Transit Fund) appropriation(s) to date:	3,592,116
Total Department/Agency Appropriation(s) to date:	\$3,592,116

Fund Source Information of Proposed Appropriation			
	General Fund:	FY2014	Total:
FY 2014 Unreserved Fund Balance		\$0	\$0
FY 2015 Adopted Revenues	\$0	\$0	\$0
FY 2015 Appro. (P.L. 32-181)	\$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		\$0	\$0	\$0	\$0	\$0
Other Funds 1/	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$0	\$0	\$0	\$0	\$0

1. Does the bill contain "revenue generating" provisions? // Yes /x/ No
 If Yes, see attachment
2. 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
3. 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
4. Will the enactment of this Bill require new physical facilities? // Yes /x/ No
5. 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>Matthew Oviatt</u>	Date: <u>7/1/15</u>	Director: <u>[Signature]</u>	Date: <u>JUL 1 0 2015</u>
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Footnotes:
 1/ See attachment to the fiscal note.

Bureau of Budget and Management Research

Comments on Bill No. 85-33 (COR)

Bill 85-33 intends to authorize the Guam Regional Transit Authority (GRTA) to enter into a long-term Public-Private Partnership (PPP) to provide an effective and efficient public transit system. The PPP will require the private partner to implement the Transit Business Plan 2009-2015. Per GRTA, the Plan reports that approximately \$20M would be needed to upgrade facilities and to procure fifty (50) new transit buses. They have also noted that this amount may be less due to the changes with regard to the military build-up which was incorporated in the Transit Business Plan.

The bill proposes to create a Public Transit Task Force to plan for the solicitation and selection of interested parties for an investor-financed contract.

The bill proposes to also amend several sections of Chapter 6 of 12 GCA which will change the scope of responsibilities of GRTA. GRTA's responsibilities will change from an operational position to overseeing and administering the program. With the change in responsibilities and financial requirements being moved from the Government of Guam to the Private Partner, funding from the Guam Highway and Public Transit Funds may be reduced and / or eliminated for the operations of the public transit system. A review of current positions may also be required to determine the need of certain positions with the proposed changes in GRTA's scope of work with the implementation of a PPP.

In FY 2014, expenditures from the Guam Highway Fund and the Public Transit Fund totaled \$3,302,457. FY 2015 appropriations from these two (2) funds equals \$3,592,116 and GRTA projects to expended the full amount by September 30th and approximately \$5.2M was requested in the Governor's FY 2016 Executive Budget Request for GRTA operations.

Lastly, it should be noted that any cost savings from a PPP would be offset by any investment incentives to potential bidders (i.e., tax rebates, revenue sharing, discounted land rental, etc.) which may be offered in the finalized contract.