

EDDIE BAZA CALVO  
Governor



RAY TENORIO  
Lieutenant Governor

*Office of the Governor of Guam*

FEB 13 2014

Honorable Judith T. Won Pat, Ed.D.  
Speaker  
*I Mina' trentai Dos Na Liheslaturan Guåhan*  
155 Hesler Street  
Hagåtña, Guam 96910

32-14-1301  
Office of the Speaker  
Judith T. Won Pat, Ed.D.  
Date: 2/14/14  
Time: 4:02 PM  
Received by:

Dear Madame Speaker:

Transmitted herewith is Bill No. 225-32 (COR) "AN ACT TO ADD A NEW CHAPTER 58D TO TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO THE RENOVATION OR CONSTRUCTION OF A NEW SIMON SANCHEZ HIGH SCHOOL; AND TO AMEND AND RENUMBER §22425(q) OF ARTICLE 4, CHAPTER 22, DIVISION 2, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO THE APPROPRIATION OF ADDITIONAL REAL PROPERTY TAX REVENUES FROM THE REVALUATION OF REAL PROPERTY TAXES; AND TO AMEND §53101 OF TITLE 17, GUAM CODE ANNOTATED, RELATIVE TO THE EARLY CHILDHOOD PROGRAM FUND" which I signed into law on February 10, 2014 as Public Law 32-120.

2014 FEB 14 PM 4:49

*Senseramente,*

EDDIE BAZA CALVO

1301

*I MINA'TRENTAI DOS NA LIHESLATURAN GUÁHAN*  
2014 (SECOND) Regular Session

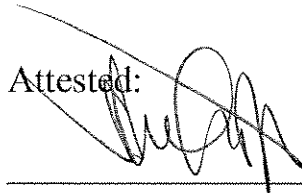
CERTIFICATION OF PASSAGE OF AN ACT TO *I MAGA'LAHEN GUÁHAN*

This is to certify that **Bill No. 225-32 (COR)**, "AN ACT TO *ADD* A NEW CHAPTER 58D TO TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO THE RENOVATION OR CONSTRUCTION OF A NEW SIMON SANCHEZ HIGH SCHOOL; AND TO *AMEND* AND *RENUMBER* § 22425(q) OF ARTICLE 4, CHAPTER 22, DIVISION 2, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO THE APPROPRIATION OF ADDITIONAL REAL PROPERTY TAX REVENUES FROM THE REVALUATION OF REAL PROPERTY TAXES; AND TO *AMEND* § 53101 OF TITLE 17, GUAM CODE ANNOTATED, RELATIVE TO THE EARLY CHILDHOOD PROGRAM FUND," was on the 1st day of February, 2014, duly and regularly passed.



Judith T. Won Pat, Ed.D.  
Speaker

Attested:



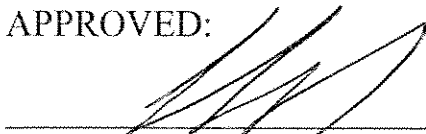
Tina Rose Muña Barnes  
Legislative Secretary

This Act was received by *I Maga'lahen Guáhan* this 1<sup>ST</sup> day of FEB,  
2014, at  
10:50 o'clock P.M.



Assistant Staff Officer  
*Maga'lahi's Office*

APPROVED:



EDWARD J.B. CALVO  
*I Maga'lahen Guáhan*

Date: FEB 10 2014

Public Law No. 32-120

*I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN*  
**2013 (FIRST) Regular Session**

**Bill No. 225-32 (COR)**

As amended by the Author; and  
further amended on the Floor.

Introduced by:

Judith T. Won Pat, Ed.D  
T. R. Muña Barnes  
Aline A. Yamashita, Ph.D.  
T. C. Ada  
V. Anthony Ada  
FRANK B. AGUON, JR.  
B. J.F. Cruz  
Chris M. Dueñas  
Michael T. Lintiacó  
Brant T. McCreadie  
Tommy Morrison  
Vicente (ben) C. Pangelinan  
R. J. Respicio  
Dennis G. Rodriguez, Jr.  
Michael F. Q. San Nicolas

**AN ACT TO ADD A NEW CHAPTER 58D TO TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO THE RENOVATION OR CONSTRUCTION OF A NEW SIMON SANCHEZ HIGH SCHOOL; AND TO AMEND AND RENUMBER § 22425(q) OF ARTICLE 4, CHAPTER 22, DIVISION 2, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO THE APPROPRIATION OF ADDITIONAL REAL PROPERTY TAX REVENUES FROM THE REVALUATION OF REAL PROPERTY TAXES; AND TO AMEND § 53101 OF TITLE 17, GUAM CODE ANNOTATED, RELATIVE TO THE EARLY CHILDHOOD PROGRAM FUND.**



1 contribute to health and safety problems for staff and students. It should be  
2 noted that it is critical for the Guam Department of Education to develop a  
3 comprehensive capital improvement plan to provide a roadmap for  
4 prioritizing facility improvements beyond Simon Sanchez.

5 *I Liheslatura* finds that after reviewing the summary of outstanding  
6 General and Limited Obligation debts as of March 1, 2013, that the debt  
7 ceiling assessed value is at One Billion One Hundred Thirty Nine Million  
8 Four Hundred Sixty Four Thousand Eight Hundred Fifty Three Dollars  
9 (\$1,139,464,853). It also states that the General Obligation Debt is Four  
10 Hundred Forty Six Million Four Hundred Seventy Three Thousand Eight  
11 Hundred Fifty Three Dollars (\$446,473,853); and the Limited Obligation  
12 Debt is Six Hundred Sixty Three Million Eight Hundred Ninety Six  
13 Thousand Eight Hundred Three Dollars (\$663,896,803), with an  
14 accumulated total of One Billion One Hundred Ten Million Three Hundred  
15 Seventy Thousand Six Hundred Fifty Six Dollars (\$1,110,370,656).  
16 Subtracting the debt ceiling limit less the General and Limited Obligation  
17 Debts leaves the amount for future debt obligation at Twenty Nine Million  
18 Ninety Four Thousand One Hundred Ninety Seven Dollars (\$29,094,197).

19 *I Liheslatura* further finds that the cost for the renovation or  
20 construction of a new Simon Sanchez High School would exceed Guam's  
21 debt ceiling obligation cap if a General Obligation Bond is pursued. To  
22 circumvent the debt ceiling cap, *I Liheslatura* finds that the construction of  
23 *Okkodo* High School, *Astumbo* Middle School, *Liguan* Elementary School,  
24 *Adacao* Elementary School, John F. Kennedy High School and the  
25 expansion of *Okkodo* High School validates the fundamental soundness of  
26 using a municipal lease as a vehicle to build new educational facilities. By  
27 utilizing municipal leasing to renovate or construct a new Simon Sanchez

1 High School, the remaining future debt obligation may be used to fund other  
2 priorities of the government.

3 *I Liheslatura* further intends to authorize *I Maga'lahaen Guåhan* to  
4 pledge or reserve the additional proceeds as a source of payment for a  
5 municipal lease financing, secured for the purposes stated herein, either to  
6 renovate or construct a new Simon Sanchez High School. To overcome the  
7 financing hurdles, *I Liheslaturan Guåhan* supports the government of  
8 Guam to enter into a contract for the financing, design, renovation or  
9 construction and long-term capital maintenance of Simon Sanchez High  
10 School with a private sector contractor who can provide long-term  
11 financing obtained through tax-exempt obligations or other  
12 competitive alternative financing based on long-term lease-backs to  
13 the government of Guam. In order to facilitate system-wide  
14 improvements, *I Liheslatura shall* authorize the Guam Department of  
15 Education to develop a comprehensive capital improvement plan for  
16 prioritizing capital improvements to all Guam Department of Education  
17 schools. To facilitate the financing, design, renovation or construction  
18 and maintenance of an education facility envisioned by this Act, the  
19 government of Guam will be authorized to lease, for up to thirty (30)  
20 years, government of Guam property on which the facilities will be  
21 constructed to the contractor, who will design, renovate or construct a  
22 new education facility in accordance with specifications approved by  
23 Guam Department of Education. The education facility and land will be  
24 leased back to the government of Guam for a period *not to exceed* thirty  
25 (30) years or the initial ground lease to the contractor over which time  
26 the government of Guam will amortize, as lease payments to the  
27 contractor, the cost of the financing, design, renovation or construction

1 and related expenses of the education facility. The contractor will also  
2 be responsible for the capital maintenance of the education facility  
3 constructed under this Act, which costs *shall* be paid by the government of  
4 Guam, as provided for under this Act. At the expiration of the lease-back  
5 period, the government of Guam real property and the education facility  
6 that is renovated or constructed on the government of Guam real property  
7 will revert to the government of Guam with no further obligations to the  
8 Contractor.

9       **§ 58D103. Definitions.** For purposes of this Chapter and *unless*  
10 otherwise specified, the following words and phrases are defined to mean:

11           (a) *Act* means Chapter 58D of Title 5, Guam Code  
12 Annotated, known as the “*Ma Kāhat Act of 2013.*”

13           (b) *Comprehensive capital improvement plan* means a plan  
14 that takes into consideration the physical condition of each school,  
15 along with attendance area population, enrollment patterns, and  
16 bussing logistics. It *shall* also include how each school meets the  
17 instructional needs of GDOE and prioritizes repairs of existing  
18 schools, and renovation and construction of new school facilities in  
19 order to deal with GDOE limited resources.

20           (c) *Contract shall* mean the various design, renovation or  
21 construction and financing agreements entered into by and between  
22 the education agency and the contractor following negotiations on the  
23 response to the Request for Proposal.

24           (d) *Contractor shall* mean the authorized entity which *shall*  
25 be the signatory on the Contract and *shall* be fully responsible for  
26 carrying out the design, renovation or construction, financing and  
27 maintenance of the education facility. The contractor may cooperate

1 with another entity or entities in any manner the contractor deems  
2 appropriate to provide for the financing, design, renovation,  
3 construction or maintenance of the public school facilities envisioned  
4 by this Act.

5 (e) *Education agency shall* mean the Guam Department of  
6 Education.

7 (f) *Education facility* as used in this Act, *shall* mean the  
8 renovation or construction of a new high school, and to include its  
9 athletic facilities to be located on the existing site of Simon Sanchez  
10 High School.

11 (g) *Lease shall* mean a lease from an education agency to the  
12 contractor entered into at the time of the contract for the property.

13 (h) *Lease-back shall* mean the lease from the contractor to  
14 the education agency.

15 (i) *Lease-back period shall* mean the term of the lease from  
16 the contractor to the education agency.

17 (j) *Property shall* mean any property on which an education  
18 facility is located.

19 **§ 58D104. Authorization to Enter Into Long-Term Leases.** For  
20 the purpose of facilitating the financing of the design, renovation  
21 or construction and maintenance of an education facility encompassed  
22 by this Act, the government of Guam or an education agency, as the case  
23 may be, is authorized to lease, if required, to the contractor sufficient  
24 government of Guam real property on which to renovate or construct a  
25 new education facility; *provided*, such property is in the inventory of the  
26 education agency or the government of Guam. The property may be the  
27 site of an existing education facility under the control of an education



1 agency, which existing facility may be renovated or demolished and  
2 rebuilt under the provisions of this Act. The education agency is also  
3 authorized to lease back from the contractor the property for a  
4 period mutually agreed upon between the education agency and the  
5 contractor as may be reasonably necessary to amortize over the lease-  
6 back period the costs associated with the financing, design, renovation or  
7 construction of the education facility. In no event shall the end of such  
8 lease-back period be later than the date thirty (30) years from the  
9 scheduled date of completion of the education facility. The lease-back  
10 may be structured as an annually renewable lease with provision for  
11 automatic renewals to the extent that pledged or reserved revenue under  
12 §22425(q)(4) and (6) of Title 5, Guam Code Annotated, is available. The  
13 lease-back *shall not* be construed as a debt under any applicable debt  
14 limitation under the Guam Organic Act or Guam law.

15       **§ 58D105. Procurement.** Subject to the approval of *I Liheslaturan*  
16 *Guåhan*, the government of Guam or an education agency *shall* solicit  
17 Requests for Proposals (RFP) through the Department of Public Works, in  
18 compliance with the Guam procurement law, for the development of the  
19 comprehensive capital improvement plan, the financing, design, renovation  
20 or construction of the education facility, together with insurance and  
21 maintenance of the education facility over the lease-back period, according  
22 to the needs of the education agency and consistent with this Chapter. The  
23 choice of the contractor *shall* be made by a selection committee comprised  
24 of the Superintendent of the Department of Education, serving as Chairman,  
25 and including the Director of the Department of Public Works or Deputy  
26 Director, the Director of the Department of Land Management or Deputy  
27 Director, the Administrator of the Guam Environmental Protection Agency

1 or Deputy Administrator, and the Administrator of the Guam Economic  
2 Development Authority or Deputy Administrator. The committee *shall*  
3 access the prior performance of the contractor on similar projects and may  
4 disqualify any Contractor that does not have a successful record of project  
5 completion on Guam.

6 The selection of a contractor *shall* be based upon the proposal that  
7 delivers the best value for Guam in meeting the objectives of the education  
8 agency.

9 The RFP *shall* be issued within thirty (30) days of enactment of this  
10 Act for the renovation or construction of a new Simon Sanchez High School  
11 on the existing site, which may include demolition of such portions of the  
12 existing facility as necessary.

13 **§ 58D106. Responsibilities of Contractor.** The contract *shall*  
14 require that the contractor will work with GDOE to develop the  
15 comprehensive capital improvement plan in connection with the design of a  
16 renovated or construction of a new Simon Sanchez High School. Further,  
17 the contractor *shall* be responsible for all costs, expenses and fees of any  
18 kind or nature, associated with the design, civil improvements, on-site  
19 and off-site infrastructure, construction, permits, and financing  
20 associated with the completion of an education facility, including the  
21 financing of furniture and equipment for the education facility, as, and  
22 to the extent, provided by the education agency in the Request for  
23 Proposals. The contract will also require that all major subcontracts be  
24 covered by a performance bond; and further, that there be a specific  
25 delivery date with liquidated damages for failure to deliver the school by  
26 the specified date. The contractor *shall* also be responsible for the capital  
27 maintenance of the schools during the lease-back period, but *shall not* be

1 responsible for the capital maintenance of the furniture and equipment.  
2 The lease-back may provide that if sufficient funds are *not* appropriated  
3 or otherwise available for the payment of amounts due under the lease and  
4 any maintenance agreement, the education agency will have the  
5 obligation to vacate the education facility, and the contractor *shall* have  
6 the right of use and occupancy of the education facility for the remainder  
7 of the term of the lease, *unless* new mutually satisfactory terms are entered  
8 into. For this purpose, the lease may provide that its term shall be extended  
9 for a period *not to exceed* the shorter of ten (10) years beyond the  
10 original term of the lease-back or such period of time as is necessary to  
11 repay in full any financing arranged pursuant to § 58D108. The capital  
12 maintenance costs *shall* be paid by the education agency on a periodic  
13 basis as incurred by the contractor on terms to be agreed to in the contract  
14 for the education facility.

15       **§ 58D107. Assignments.** To facilitate the purposes of this Act  
16 and to provide security for the holders of any financing instruments issued  
17 pursuant to this Act, the contractor may assign, without the need of the  
18 consent of the education agency, the contract, the lease, and the  
19 lease-back to any underwriter, trustee, or other party as appropriate, to  
20 facilitate the issuance of the tax-exempt obligations, other financial  
21 instruments or alternative financing for the education facility.

22       **§ 58D108. Use of Tax-Exempt Bonds for Financing.** To  
23 minimize the financing cost to the education agency, financing utilized by  
24 the contractor to fund the design, renovation or construction of an  
25 education facility *shall* be through tax-exempt obligations or other  
26 financial instruments, provided, such financing is available at interest rates

1 determined by the education agency to be reasonable and competitive.  
2 Alternatively, the contractor may use an alternative method of financing,  
3 including, but *not* limited to, a short term debt, mortgage, loan, federally  
4 guaranteed loan or loan by an instrumentality of the United States of  
5 America, if such financing will better serve the needs of the people of  
6 Guam. Such alternative financing *shall* be approved by *I Liheslaturan*  
7 *Guåhan*. The purpose for the requirements of this Section is to assure the  
8 education agency pays the lowest possible interest rate so that the cost to  
9 the education agency of financing the design, renovation or construction  
10 of an education facility, amortized through the lease-back payments  
11 from the education agency to the contractor, will be lower than regular  
12 commercial rates.

13 **§ 58D109. Pledge of Additional Revenue from the Real Property**  
14 **Valuation.** Rental payments under the lease and the lease-back may be  
15 secured by a pledge or other reservation of revenues received by the  
16 government of Guam pursuant to §22425(q)(4) and (6) Article 4, Chapter 22  
17 Division 2, Title 5, Guam Code Annotated. Any amounts pledged as  
18 provided in this Section are hereby continuously appropriated for the  
19 purpose of making lease-back payments, but any amounts *only* reserved as  
20 provided in this Section, and *not* pledged, *shall* be subject to an annual  
21 appropriation for the purpose of making lease-back payments. Any such  
22 pledge or reservation authorized hereunder *shall* be valid and binding from  
23 the time the pledge or reservation is made, and *shall* be limited to the sum of  
24 Five Million Fifty One Thousand Nine Hundred Seventy Seven Dollars and  
25 Ninety Eight Cents (\$5,051,977.98) per year during the lease-back period, as  
26 outlined in §22425(q)(4) and (6) of Title 5, Guam Code Annotated, hereof.  
27 The revenues pledged or reserved and thereafter received by the government

1 of Guam or by any trustee, depository or custodian *shall* be deposited in a  
2 separate account and *shall* be immediately subject to such reservation or the  
3 lien of such pledge without any physical delivery thereof or further act, and  
4 such reservation or the lien of such pledge *shall* be valid and binding against  
5 all parties having claims of any kind in tort, contract or otherwise against the  
6 government of Guam or such trustee, depository or custodian, irrespective of  
7 whether the parties have notice thereof. The instrument by which such  
8 pledge or reservation is created need not be recorded.

9       **§ 58D110. Utilities and Routine Maintenance and Repair.** The  
10 education agency *shall* be responsible for the connection and payment of all  
11 utilities, including without limitation, power, water, sewer, telephone and  
12 cable, and all routine interior maintenance and repair and exterior  
13 groundskeeping and landscaping, and upkeep of the education facility.

14       **§ 58D111. Maintenance Fund.** The contract or a separate  
15 maintenance agreement with the contractor, and the lease-back, *shall*  
16 provide that all capital maintenance of the education facility be performed  
17 by the contractor as a separate cost, the terms of which, and the manner for  
18 establishing the amount of payment, *shall* be determined as a part of the  
19 contract; provided, however, that said documents may, at the discretion of  
20 the education agency, provide that capital maintenance with respect to  
21 equipment (including collateral equipment), onsite utilities, offsite utilities,  
22 access roads and other similar improvements need not be performed by the  
23 contractor.

24       **§ 58D112. Contractual Safeguards.** Prior to undertaking the work  
25 of renovating or constructing a new Simon Sanchez High School, the Guam  
26 Economic Development Authority, the Department of Public Works, the  
27 Guam Department of Education, and the developer or contractor *shall*

1 negotiate and enter into a binding construction contract to renovate or  
2 construct a new Simon Sanchez High School in accordance with the Guam  
3 Building Code (21 G.C.A. Ch. 67), and any other applicable requirements.  
4 The construction contract *shall* contain contractual obligations typically  
5 found in government of Guam construction contracts, including, but *not*  
6 limited to:

- 7 (a) warranties;
- 8 (b) liquidated damages;
- 9 (c) performance and payment bonds;
- 10 (d) indemnity;
- 11 (e) insurance;
- 12 (f) standard specifications;
- 13 (f) technical specifications;
- 14 (g) progress schedule;
- 15 (h) maintenance;
- 16 (i) compliance with Guam labor regulations;
- 17 (j) compliance with Guam prevailing wage rates for  
18 employment of temporary alien workers (H2) on Guam;
- 19 (k) compliance with Public Law 29-98: restriction against  
20 contractors employing convicted sex offenders to work at government  
21 of Guam venues.

22 The contract *shall* be submitted for review and approval to all entities  
23 charged by law with the duty to review and approve government contracts,  
24 including the Office of the Attorney General.

25 **§ 58D113. Severability.** *If* any provision of this Act or its  
26 application to any person or circumstance is found to be invalid or contrary  
27 to law, such invalidity *shall not* affect other provisions or applications of this

1 Act which can be given effect without the invalid provisions or application,  
2 and to this end the provisions of this Act are severable.”

3 **Section 3.** §22425(q) of Article 4, Chapter 22, Division 2, Title 5, Guam  
4 Code Annotated, is hereby *amended* to read:

5 “(q) Notwithstanding any other provision of law, any additional real  
6 property tax revenues received as a result of the most recent valuation of real  
7 property due to commence during the calendar years 2013 and 2014 is  
8 hereby continuously appropriated annually, *not to exceed* Eight Million Five  
9 Hundred Thousand Dollars (\$8,500,000), from the Territorial Educational  
10 Facilities Fund in the amounts and for purposes set forth in this Subsection:

11 (1) The sum of One Million One Hundred Fifty Eight  
12 Thousand Two Hundred Eighty Three Dollars (\$1,158,283),  
13 beginning in FY 2014, for the construction of the Student Services  
14 Center and Engineering Annex at the University of Guam, as a source  
15 of payment to the University of Guam Capital Improvements Fund for  
16 the purpose of paying rental payments due under the lease-leaseback  
17 agreements with the University of Guam Endowment Foundation for  
18 a term of forty (40) years;

19 (2) The sum of Two Hundred Seventy-eight Thousand Nine  
20 Hundred Twenty-one Dollars and Fifty-two Cents (\$278,921.52),  
21 beginning in FY 2014 for forty (40) years, for the construction or  
22 renovation of Building 100 and the DNA Laboratory at the Guam  
23 Community College;

24 (3) The sum of One Hundred Thirty-two Thousand Fifteen  
25 Dollars (\$132,015) to the Guam Public Library System to hire a  
26 Territorial Librarian at Ninety-three Thousand Three Hundred

1 Seventy-seven Dollars (\$93,377), and a Computer Analyst II at  
2 Thirty-eight Thousand Six Hundred Thirty-eight Dollars (\$38,638);

3 (4) The sum of One Million Seven Hundred Seven Thousand  
4 Six Hundred Fifty-two Dollars (\$1,707,652) to the Guam Department  
5 of Education for the renovation or construction of a new Simon  
6 Sanchez High School.

7 (5) The sum of One Million Two Hundred Thousand Dollars  
8 (\$1,200,000) for rental payments under the lease and the lease-back as  
9 described in Chapter 58D of Title 5, Guam Code Annotated.

10 (6) other than the portions designated to be used for in Items  
11 (1), (2), (3), (4) and (5) of this Subsection, eighty percent (80%) of the  
12 remaining balance for rental payments due under the lease-leaseback  
13 agreement with GDOE secured for the renovation or construction of a  
14 new Simon Sanchez High School, to include its athletic facilities, and  
15 other Guam Department of Education public school facilities  
16 requiring new construction, rehabilitation or maintenance;

17 (7) other than the portions designated to be used for in Items  
18 (1), (2), (3), (4) and (5) of this Subsection, 3.5% of the remaining  
19 balance for the Early Childhood Program Fund, as described in  
20 §53101 of Title 17, Guam Code Annotated;

21 (8) other than the portions designated to be used for in Items  
22 (1), (2), (3), (4) and (5) of this Subsection, 3.5 % of the remaining  
23 balance for *I Famagu'on-ta*, Child Adolescent Services Division of  
24 the Guam Behavioral Health and Wellness Center, and Project  
25 *Karinu*. These funds *shall not* be subject to *I Maga'lahren Guåhan's*  
26 transfer authority.



1           (9) other than the portions designated to be used for in Items  
2 (1), (2), (3) (4) and (5) of this Subsection, five percent (5%) of the  
3 remaining balance to the Department of Revenue and Taxation for the  
4 following:

5           (A) for maintenance support and sustainability of real  
6 property data and system;

7           (B) for the five (5) year (quinquennial) property tax  
8 revaluation as mandated by law;

9           (C) for enhancements, and technological  
10 advancements related to software/hardware, and support staff  
11 necessary to improve electronic services; and

12           (D) for other costs directly associated with improving  
13 the efficiency of the real property tax system.

14           The Director of the Department of Revenue and Taxation *shall*  
15 submit a report to *I Maga'lahaen Guåhan* and *I Liheslaturan Guåhan*  
16 on a monthly basis as to the expenditures of the funds following the  
17 enactment of this Act, detailing all transactions;

18           (10) other than the portions designated to be used for in Items  
19 (1), (2), (3), (4) and (5) of this Subsection, five percent (5%) of the  
20 remaining balance *shall* be lock boxed for the procurement of a  
21 unified financial management information system, as recommended  
22 by consensus from the Department of Revenue and Taxation, the  
23 Department of Administration, the General Services Agency, the  
24 Office of Public Accountability, the Office of Technology, the  
25 University of Guam, the Guam Community College, the Guam  
26 Department of Education, and Guam Memorial Hospital Authority.  
27 This amount shall be subject to legislative appropriation.

1 (11) Other than the portions designated to be used for in Items  
2 (1), (2) (3) (4) and (5) of this Subsection, three percent (3%) of the  
3 remaining balance *shall* be a source of funding for island-wide school  
4 bus shelters. The Director of the Department of Public Works *shall*  
5 submit a report to *I Maga'lahen Guåhan* and *I Liheslaturan Guåhan*  
6 on a monthly basis as to the expenditures of the funds following  
7 enactment of this Act, detailing all transactions.”

8 **Section 4.** §53101 of Title 17, Guam Code Annotated, is hereby *amended*  
9 to read as follows:

10 “§ 53101. **Early Childhood Program Fund.** There is hereby  
11 created, separate and apart from all other funds of the government of Guam,  
12 a fund known as the “Early Childhood Program Fund.” All monies received  
13 by or on behalf of the government of Guam pursuant to §22425(q)(7) of  
14 Title 5 GCA, *shall* be deposited in the Fund and used for early childhood  
15 programs at the University of Guam, the Guam Community College, or the  
16 Guam Department of Education. The Fund *shall not* be commingled with the  
17 General Fund or any other funds of the government of Guam, and it *shall* be  
18 maintained in a separate bank account. All monies in the Fund *shall* require  
19 legislative appropriation, and *shall not* be subject to any transfer authority of  
20 *I Maga'lahen Guåhan.*”

21 **Section 5. Severability.** *If* any provision of this Act or its application to  
22 any person or circumstance is found to be invalid or contrary to law, such  
23 invalidity *shall not* affect other provisions or applications of this Act which can be  
24 given effect without the invalid provisions or application, and to this end the  
25 provisions of this Act are severable.”