



EDDIE BAZA CALVO
Governor

RAY TENORIO
Lieutenant Governor

Office of the Governor of Guam

32-14-1783

June 27, 2014

2014 JUN 27 PM 5:01
6.27.14
4:51pm
Received by

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

Dear Madame Speaker:

Attached is Bill No. 309-32 (COR), entitled, *"An Act to Add a New Section 7 to Chapter I of Public Law 32-068; and to Repeal and Reenact Section 13109(a)(5) of Chapter 13, Title 2, Guam Code Annotated Relative to Prioritizing the Use of Additional Section 30 Revenues. . ."* which I have VETOED.

Bill 309 seeks to appropriate \$22 million in "excess" Section 30 fund revenues that allegedly represent a windfall to Guam. This \$22 million does not exist. Today we confirmed with our federal partners that \$7.8 million is on its way to Guam, with a total commitment not exceeding \$15 million to date. This is not revenue available for appropriation. This is cash I am using to pay tax refunds.

The Legislature constantly makes \$1.20 in promises for every \$1.00 that exists. While these promises sound nice and hit all the right political chords, 20¢ becomes an empty promise for someone else to struggle with. That struggle comes at the expense of those whose hopes senators raised, when they promised Monopoly money to public schools, the police, the prison staff, and others. The only real commitment made by Bill 309 is a commitment to irresponsibility.

Aside from my fiscal concerns, I do note the following:

1. Bill 309 was a blatant attempt by the Legislature to micromanage and usurp the authority and responsibility of the Board of Education, a governing body empowered by the people themselves. The attempt to control the management of DOE by an entirely different branch of government is, at best, questionable on its motives alone. Not a single aim or purpose of these legislatively-induced edicts even addressed the improvement of learning.
2. The Legislature has signaled the following:
 - a. Desire for me to terminate the portion of the Tiyan High School agreement that would construct new warehouses, office spaces and a mezzanine.





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- b. Desire for me to allow the construction of a Tiyan High School gymnasium to move forward.

This Administration has repeatedly stood firm that it will not enable the empty promises to continue to be made by the Legislature. Bill 309 is a misleading and reckless gimmick that serves only to advance political aims at the expense and hopes of hard-working Guamanians. This is deficit spending in its plainest form. It is wrong, and I will not tolerate it. Bill 309 is vetoed.

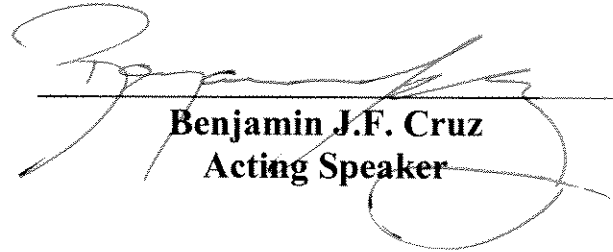
Senseramente,

EDDIE BAZA CALVO

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


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

This is to certify that **Substitute Bill No. 309-32 (COR)**, "AN ACT TO *ADD A NEW SECTION 7 TO CHAPTER I OF PUBLIC LAW 32-068; AND TO REPEAL AND REENACT § 13109(a)(5) OF CHAPTER 13, TITLE 2, GUAM CODE ANNOTATED, RELATIVE TO PRIORITIZING THE USE OF ADDITIONAL SECTION 30 REVENUES, AND TO INCREASE TRANSPARENCY AND ACCOUNTABILITY IN THE REPORTING OF SECTION 30 REVENUES TO BE RECEIVED BY THE GOVERNMENT OF GUAM; AND TO BE KNOWN AS THE "SUPPLEMENTAL APPROPRIATIONS ACT OF 2014,"* was on the 16th day of June, 2014, duly and regularly passed.



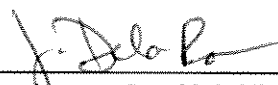
Benjamin J.F. Cruz
Acting Speaker

Attested:



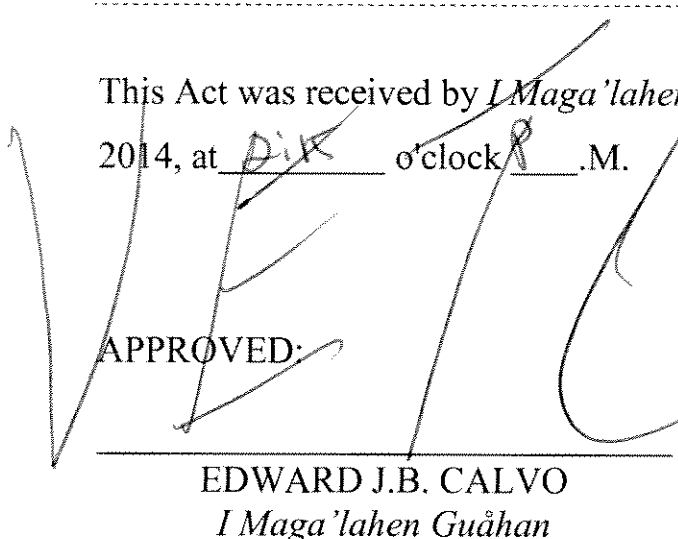
Tina Rose Muña Barnes
Legislative Secretary

This Act was received by *I Maga'lahen Guåhan* this 17th day of June,
2014, at 2:15 o'clock P.M.



Assistant Staff Officer
Maga'lahi's Office

APPROVED:



EDWARD J.B. CALVO
I Maga'lahen Guåhan

Date: JUN 24 2014

Public Law No. _____

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

Bill No. 309-32 (COR)

As substituted by the Committee on Appropriations,
Public Debt, Legal Affairs, Retirement, Public Parks,
Recreation, Historic Preservation, and Land;
and amended on the Floor.

Introduced by:

Vicente (ben) C. Pangelinan

B. J.F. Cruz

T. C. Ada

V. Anthony Ada

FRANK B. AGUON, JR.

Chris M. Dueñas

Michael T. Limtiaco

Brant T. McCreddie

Tommy Morrison

T. R. Muña Barnes

R. J. Respicio

Dennis G. Rodriguez, Jr.

Michael F. Q. San Nicolas

Aline A. Yamashita, Ph.D.

Judith T. Won Pat, Ed.D.

AN ACT TO *ADD* A NEW SECTION 7 TO CHAPTER I OF PUBLIC LAW 32-068; AND TO *REPEAL* AND *REENACT* § 13109(a)(5) OF CHAPTER 13, TITLE 2, GUAM CODE ANNOTATED, RELATIVE TO PRIORITIZING THE USE OF ADDITIONAL SECTION 30 REVENUES, AND TO INCREASE TRANSPARENCY AND ACCOUNTABILITY IN THE REPORTING OF SECTION 30 REVENUES TO BE RECEIVED BY THE GOVERNMENT OF GUAM; AND TO BE KNOWN AS THE “*SUPPLEMENTAL APPROPRIATIONS ACT OF 2014.*”

1 **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2 **Section 1. Short Title.** This Act *shall* be known as the “**Supplemental**
3 **Appropriations Act of 2014.**” *Except* as otherwise provided by this Act, the
4 appropriations made by this Act *shall* be available to pay for obligations incurred
5 on *or* after October 1, 2013, but *no later than* September 30, 2014. *If* any
6 appropriation in this Act is found contrary to federal law, all other portions of this
7 Act *shall* remain valid.

8 **Section 2. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds
9 that it is imperative for the proper planning and prioritization of uses for
10 unexpected General Fund revenues received by the government of Guam. Over the
11 previous two fiscal years, *I Liheslaturan Guåhan* has not been provided all the
12 proper updates relative to the prior, current, and future fiscal year estimates,
13 reconciliations, receipts, overpayments, underpayments, advanced requests for
14 subsequent fiscal years, receipt of United States Department of Treasury warrants
15 or notices of garnishments, and/or discussions related to Section 30 revenues
16 received or to be received by the government of Guam. *I Liheslaturan Guåhan*
17 relies on the Executive Branch to provide such updates and correspondences as it is
18 the Executive Branch that carries out the administrative and executory nature of
19 receiving Section 30 revenues.

20 As a result of *I Liheslaturan Guåhan* not receiving adequate updates as to
21 the receipt of Section 30 revenues, *I Liheslaturan Guåhan* further finds that
22 Section 2(I)(B), Chapter I of Public Law 31-233 (General Appropriations Act of
23 2013) included an estimate of General Fund revenues from Federal Sources of
24 Fifty Three Million Four Hundred Fifty One Thousand Five Hundred Nineteen
25 Dollars (**\$53,451,519**), whereas the actual receipt of Section 30 revenues
26 subsequent to the enactment of Public Law 31-233 was Fifty Eight Million Four
27 Hundred Seventy Eight Thousand Seven Hundred Nine Dollars (**\$58,478,709**), a

1 difference of Five Million Twenty Seven Thousand One Hundred Ninety Dollars
2 (**\$5,027,190**) that was hidden, and thus heretofore not known by *I Liheslaturan*
3 *Guåhan* to be available to be appropriated for education, public safety, and public
4 health related services.

5 *I Liheslaturan Guåhan* further finds that the receipt of funds for Section 30
6 revenues for Fiscal Year 2014 included an additional Fifteen Million Three
7 Hundred Thirty Three Thousand Six Hundred Thirty Dollars (**\$15,333,630**) that
8 was unexpected by *I Liheslaturan Guåhan*, and was not included in budget
9 deliberations in Legislative Session; and was further not known by *I Liheslaturan*
10 *Guåhan* to be available to be appropriated for education, public safety, and public
11 health related services as a result of the lack of notice or update by the Executive
12 Branch of such additional Section 30 revenues.

13 Such additional Section 30 revenues received at the same time Section 30
14 revenues were received for Fiscal Year 2014 were included in the Bureau of
15 Budget and Management Research (BBMR) Consolidated Revenue and
16 Expenditure Report (Report) for the twelve months ending September 30, 2013,
17 and were *not* included in any of BBMR's Reports for each month in Fiscal Year
18 2014, through April 30, 2014.

19 *I Liheslaturan Guåhan* further finds that *I Maga'lahaen Guåhan* expended
20 such additional Section 30 revenues for the payment of unpaid income tax refunds
21 only after members of *I Liheslaturan Guåhan* urged such action and utilization of
22 such funds.

23 *I Liheslaturan Guåhan* further finds that in February 2014, the government
24 of Guam also received an additional One Million One Hundred Fifty Eight
25 Thousand Six Hundred Seventy Six Dollars (**\$1,158,676**) in additional Section 30
26 revenues to which notice of such receipt was not timely provided to *I Liheslaturan*
27 *Guåhan*.

1 Therefore, it is the intent of *I Liheslaturan Guåhan* to ensure that the
2 legislative responsibility and authority granted to it pursuant to the Organic Act of
3 Guam is preserved through prioritizing any excess or additional Section 30
4 revenues received during Fiscal Year 2014 for specific purposes, as well as
5 increasing transparency and accountability of the Executive Branch in providing
6 any and all correspondences relative to Section 30 revenues to and from the
7 Executive Branch.

8 **Section 3.** A new Section 7 is hereby *added* to Chapter I of Public Law
9 32-068 to read:

10 **“Section 7. Excess Section 30 Fund Revenues.** Notwithstanding
11 any other provision of law, any Section 30 Funds received by the
12 government of Guam subsequent to June 1, 2014 in Fiscal Year 2014 above
13 the adopted revenues for Section 30 Funds in Section 2(I)(B) of this Chapter
14 separate and apart from the Section 30 Funds received for FY 2015 *shall* be
15 transferred to the Supplemental Appropriations Revenue (SAR) Fund, and is
16 hereby appropriated from the SAR Fund for the following purposes and in
17 the following order of priority:

18 (a) such sums as are necessary to pay for the full
19 implementation of the Competitive Wage Act of 2014 for Fiscal Year
20 2014 that took effect on January 26, 2014, inclusive of the unpaid fifty
21 percent (50%) for employees under the General Pay Plan for the
22 following agencies:

- 23 (1) Guam Department of Education
- 24 (2) Unified Judiciary of Guam
- 25 (3) University of Guam
- 26 (4) Guam Community College
- 27 (5) Mayors Council of Guam

- (6) Office of Public Accountability
- (7) Office of the Attorney General
- (8) Public Defender Service Corporation
- (9) Guam Memorial Hospital Authority
- (10) Executive Branch Line Agencies

The unpaid fifty percent (50%) for employees under the General Pay Plan *shall* be effective on August 1, 2014. Agencies identified under Subsections (a)(1) through (a)(9) *shall* provide the amounts necessary to cover the full implementation of the Competitive Wage Act of 2014 for Fiscal Year 2014 that took effect on January 26, 2014 to the BBMR *no later than* July 15, 2014. The BBMR *shall* release the full allotment of such amounts to each agency. Upon the BBMR's allotment release, agencies identified under Subsections (a)(1) through (a)(9) *shall* send invoices, in the amount provided to the BBMR, to the Department of Administration (DOA), and the DOA *shall* remit the cash based on the BBMR allotment for each agency *no later than* September 29, 2014;

(b) the sum of Six Million Dollars (**\$6,000,000**) to the Guam Department of Education (GDOE) to either renovate the George Washington High School (GWHS) campus, construct a new GDOE gymnasium in *Tiyan*, or meet budgetary shortfalls for Fiscal Year 2014 after one hundred percent (100%) of funds held in reserve have been released to GDOE by *I Maga'lahen Guåhan*. This appropriation *shall not* lapse and *shall* be available until fully expended. Notwithstanding any other provision of law, no tax credits shall be authorized to construct GDOE offices, GDOE warehouses, or mezzanines for such warehouses, within the *Tiyan* facilities in Fiscal

1 Years 2014 and beyond, as identified in and pursuant to the Purchase
2 Agreement and Exercise of Option Under the Lease II signed by *I*
3 *Maga'lahaen Guåhan* on December 30, 2013 and further amended and
4 signed by *I Maga'lahaen Guåhan* on January 17, 2014.
5 Notwithstanding any other provision of law, any new construction
6 within the *Tiyan* facilities as identified in and pursuant to the
7 aforementioned agreement, as amended, with the exception of the
8 GDOE gymnasium as authorized herein, *shall* require legislative
9 appropriation and approval, and *shall* require *I Maga'lahaen Guåhan* to
10 identify a funding source for such construction and present it to *I*
11 *Liheslaturan Guåhan*;

12 (c) such sums as are necessary to recruit twenty (20) full-
13 time Police Officer I positions at the Guam Police Department for
14 Fiscal Year 2014;

15 (d) such sums as are necessary to recruit for the Prosecution
16 Division and Victim Witness *Ayuda* Services within the Office of the
17 Attorney General, which *shall* include two (2) Assistant Attorneys
18 General, two (2) Paralegals I, two (2) Legal Secretaries I, one (1)
19 Investigator I, and two (2) Victim Advocate positions;

20 (e) such sums as are necessary for the payment of unpaid
21 retroactive salary increments to law enforcement officers, pursuant to
22 Public Law 29-105, owed to the Unified Judiciary of Guam, the
23 Office of the Attorney General, and the Public Defender Service
24 Corporation; and Executive Branch line agency employees owed such
25 retroactive salary increments. Notwithstanding any other provision of
26 law, the position of Investigator at the Public Defender Service
27 Corporation *shall* be considered as a law enforcement officer, and

1 *shall* be owed retroactive salary increments as of the enactment of
2 Public Law 29-105; and

3 (f) such sums as are necessary to cover the financial
4 shortfalls of the Guam Medicaid Program to be used as local matching
5 requirements with available and authorized federal matching grants-
6 in-aid to the DPHSS for FY 2014.

7 § 1303 of Chapter 1, Article 3, Title 5, Guam Code Annotated *shall*
8 *not* apply to the appropriations contained in this Section 7. The funds
9 appropriated in this Section 7 are *not* subject to *I Maga'lahren Guåhan's*
10 transfer authority.”

11 **Section 4.** All appropriations in Section 7 of Chapter I of Public Law 32-
12 068 shall have no force or effect if the government of Guam does not receive
13 Section 30 Funds subsequent to June 1, 2014, in Fiscal Year 2014 above the
14 adopted revenues for Section 30 Funds in Section 2(I)(B), Chapter I of Public Law
15 32-068 separate and apart from the Section 30 Funds received for FY 2015.

16 **Section 5.** Nothing in this Act shall prevent *I Maga'lahren Guåhan* from
17 using any existing appropriations from which he is authorized to transfer in Public
18 Law 32-068 for the full implementation of the remaining balance of the
19 Competitive Wage Act of 2014 for the agencies identified in Section 7(a), Chapter
20 I of Public Law 32-068.

21 **Section 6.** § 13109(a)(5) of Chapter 13, Title 2, Guam Code Annotated, is
22 hereby *repealed* and *reenacted* to read:

23 “(5) Section 30 Transparency and Accountability Reporting.

24 (A) *No later than* fifteen (15) days after the end of each
25 month of each fiscal year, *I Maga'lahren Guåhan shall* submit a
26 written report to the Speaker of *I Liheslaturan Guåhan* and the Office
27 of Finance and Budget that provides a list of any and all

1 correspondences sent by the government of Guam to and/or received
2 by the government of Guam from the United States Department of the
3 Treasury, the Department of the Interior and/or its Office of Insular
4 Affairs, or its successor, and any other entities of the United States
5 government related to prior, current, and future fiscal year estimates,
6 reconciliations, receipts, overpayments, underpayments, advanced
7 requests for subsequent fiscal years, receipt of United States
8 Department of Treasury warrants or notices of garnishments, and/or
9 discussions related thereto of duties, fees, and taxes (also referred to
10 as Section 30 funds) during the previous month. Such report
11 submitted *shall* include a copy of each correspondence as specified
12 above.

13 (B) If during such month of each fiscal year, there are no
14 correspondences sent by the government of Guam to and/or received
15 by the government of Guam from the United States Department of the
16 Treasury, the Department of the Interior and/or its Office of Insular
17 Affairs, or its successor, and any other entities of the United States
18 government related to prior, current, and future fiscal year estimates,
19 reconciliations, receipts, overpayments, underpayments, advanced
20 requests for subsequent fiscal years, and/or discussions related thereto
21 of duties, fees, and taxes (also referred to as Section 30 funds) during
22 the previous month, *I Maga'lahañ Guåhan shall* submit a letter to the
23 Speaker of *I Liheslaturan Guåhan* and the Office of Finance and
24 Budget stating that no correspondences have been sent and/or
25 received.

26 (C) If any correspondence required to be submitted pursuant
27 to this Section is deemed confidential and prevents submission to the

1 Speaker of *I Liheslaturan Guåhan* and the Office of Finance and
2 Budget, *I Maga'lahaen Guåhan shall* state such confidentiality,
3 inclusive of a citation of local or federal law preventing such
4 submission and a written opinion by the Attorney General of Guam
5 supporting such non-submission that *shall* accompany such written
6 report.”

7 **Section 7. Section 30 Transparency and Accountability Reporting.** *I*
8 *Maga'lahaen Guåhan shall* submit a report pursuant to the detailed reporting
9 requirements in § 13109(a)(5), Chapter 13, Title 2, Guam Code Annotated,
10 inclusive of all correspondences thereto related to each of the months during the
11 previous three (3) fiscal years prior to Fiscal Year 2014, and for the months during
12 Fiscal Year 2014 prior to the enactment of this Act. Such report *shall* be submitted
13 to the Speaker of *I Liheslaturan Guåhan* and the Office of Finance and Budget *no*
14 *later than* twenty (20) days after the enactment of this Act.

15 **Section 8. Effective Date.** This Act *shall* take effect upon its enactment
16 and apply prospectively.

17 **Section 9. Severability.** *If* any provision of this Act or its application to
18 any person or circumstance is held invalid, the invalidity *shall not* affect other
19 provisions or applications of this Act which can be given effect without the invalid
20 provision or application and to this end the provisions of this Act is severable.