



EDDIE BAZA CALVO
Governor

RAY TENORIO
Lieutenant Governor

Office of the Governor of Guam.

APR 15 2015

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

33-15-0347

Office of the Speaker
Judith T. Won Pat, Ed.D

Date: 04/16/2015
Time: 2:30
Received By: [Signature]

Dear Madame Speaker:

Transmitted herewith is Bill No. 46-33 (COR) "AN ACT TO ADD A NEW § 6235 TO ARTICLE 2 OF CHAPTER 6, TITLE 4, GUAM CODE ANNOTATED, RELATIVE TO PROVIDING A PAY INCENTIVE TO EMPLOYEES OF GOVERNMENT OF GUAM LINE AGENCIES, THE OFFICE OF PUBLIC ACCOUNTABILITY, THE UNIVERSITY OF GUAM, AND THE GUAM DEPARTMENT OF EDUCATION WHO HAVE OBTAINED PUBLIC ACCOUNTANT, GOVERNMENT FINANCIAL MANAGEMENT, FRAUD EXAMINER, AND INTERNAL AUDITOR CERTIFICATIONS, PURSUANT TO RECOGNIZED NATIONAL STANDARDS, TO PRESERVE THE GOVERNMENT OF GUAM'S ABILITY TO RECRUIT AND RETAIN SUCH PROFESSIONALS" which lapsed into law on April 4, 2015, as Public Law 33-18.

2015 APR 16 PM 3:17

Senseramente,

RAYMOND S. TENORIO
I Maga'låhen Guåhan, para pa'go
Acting Governor of Guam

I MINA'TRENTAI TRES NA LIHESLATURAN GUÁHAN
2015 (FIRST) Regular Session

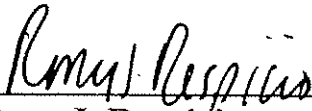
CERTIFICATION OF PASSAGE OF AN ACT TO *I MAGA'LAHEN GUÁHAN*

This is to certify that Substitute Bill No. 46-33 (COR), "AN ACT TO ADD A NEW § 6235 TO ARTICLE 2 OF CHAPTER 6, TITLE 4, GUAM CODE ANNOTATED, RELATIVE TO PROVIDING A PAY INCENTIVE TO EMPLOYEES OF GOVERNMENT OF GUAM LINE AGENCIES, THE OFFICE OF PUBLIC ACCOUNTABILITY, THE UNIVERSITY OF GUAM, AND THE GUAM DEPARTMENT OF EDUCATION WHO HAVE OBTAINED PUBLIC ACCOUNTANT, GOVERNMENT FINANCIAL MANAGEMENT, FRAUD EXAMINER, AND INTERNAL AUDITOR CERTIFICATIONS, PURSUANT TO RECOGNIZED NATIONAL STANDARDS, TO PRESERVE THE GOVERNMENT OF GUAM'S ABILITY TO RECRUIT AND RETAIN SUCH PROFESSIONALS," was on the 20th day of March, 2015, duly and regularly passed.



Judith T. Won Pat, Ed.D.
Speaker

Attested:



Rory J. Respicio
Acting Legislative Secretary

This Act was received by *I Maga'lahen Guáhan* this 23rd day of March, 2015, at 5:05 o'clock P.M.



Assistant Staff Officer
Maga'lahi's Office

APPROVED:

EDWARD J.B. CALVO
I Maga'lahen Guáhan

Date: APR 04 2015

Public Law No. 33-18

I MINA'TRENTAI TRES NA LIHESLATURAN GUÅHAN
2015 (FIRST) Regular Session

Bill No. 46-33 (COR)

As amended by the Committee on Finance & Taxation,
General Government Operations, and Youth Development;
and substituted and amended on the Floor.

Introduced by:

Dennis G. Rodriguez, Jr.
R. J. Respicio
Michael F.Q. San Nicolas
T. C. Ada
V. Anthony Ada
FRANK B. AGUON, JR.
Frank F. Blas, Jr.
B. J.F. Cruz
James V. Espaldon
Brant T. McCreadie
Tommy Morrison
T. R. Muña Barnes
Mary Camacho Torres
N. B. Underwood, Ph.D.
Judith T. Won Pat, Ed.D.

AN ACT TO ADD A NEW § 6235 TO ARTICLE 2 OF CHAPTER 6, TITLE 4, GUAM CODE ANNOTATED, RELATIVE TO PROVIDING A PAY INCENTIVE TO EMPLOYEES OF GOVERNMENT OF GUAM LINE AGENCIES, THE OFFICE OF PUBLIC ACCOUNTABILITY, THE UNIVERSITY OF GUAM, AND THE GUAM DEPARTMENT OF EDUCATION WHO HAVE OBTAINED PUBLIC ACCOUNTANT, GOVERNMENT FINANCIAL MANAGEMENT, FRAUD EXAMINER, AND INTERNAL AUDITOR CERTIFICATIONS, PURSUANT TO RECOGNIZED NATIONAL STANDARDS, TO PRESERVE THE GOVERNMENT OF GUAM'S ABILITY TO RECRUIT AND RETAIN SUCH PROFESSIONALS.

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

2 **Section 1. Legislative Findings and Intent.** The government of Guam is
3 at a juncture where financial accounting, auditing, budgeting, and management
4 professionals are needed to ensure that the government's finances are sustainable. *I*
5 *Liheslaturan Guåhan* recognizes that the government's line agencies, the Office of
6 Public Accountability, the University of Guam, and the Guam Department of
7 Education have difficulties attracting and retaining certified financial professionals.
8 *I Liheslaturan Guåhan* would like to equitably compensate the many accounting,
9 auditing, budget, and management professionals working for the line agencies of
10 the government of Guam, the Office of Public Accountability, the University of
11 Guam, and the Guam Department of Education by recognizing that their certified
12 skills are vital to ensuring that the people of Guam receive efficient, transparent,
13 and honest fiscal operations from their government.

14 The respective profession's certifications of Certified Public Accountant
15 (CPA), Certified Government Financial Manager (CGFM), Certified Fraud
16 Examiner (CFE), and Certified Internal Auditor (CIA) are recognized as marks of
17 excellence in the accounting profession, and persons holding those certifications
18 are in high demand by the public and private sectors. *I Liheslaturan Guåhan* also
19 finds that the line agencies of the government of Guam must retain the qualified
20 CPAs, CGFMs, CFEs, and CIAs, and it must encourage accounting, auditing,
21 budgeting, and management professionals to obtain such certifications.

22 It is the intent of *I Liheslaturan Guåhan* to provide an incentive to advance
23 and retain the needed financial expertise within the government of Guam. CPAs
24 are, on average, paid ten to fifteen percent (10-15%) more than non-CPAs in
25 equivalent positions. Other certifications have similar effects upon compensation
26 in the private sector.

1 **Section 2.** A new § 6235 is hereby *added* to Article 2 of Chapter 6, Title 4,
2 Guam Code Annotated, to read:

3 “§ 6235. **Certification Pay Differential for Certified Public**
4 **Accountant, Certified Government Financial Manager, Certified Fraud**
5 **Examiner, and Certified Internal Auditor.**

6 The Director of the Department of Administration *shall* ensure the
7 following classified and/or unclassified accounting, auditing, budgeting, and
8 management professional positions within government of Guam line
9 agencies, the Office of Public Accountability, the University of Guam, and
10 the Guam Department of Education *shall* be given a one-time incentive pay
11 compensation as provided pursuant to this Section, to include, as follows:

12 POSITION COMPENSATION

13 Certified Public Accountant (CPA)

14 Certified Government Financial Manager (CGFM),

15 Certified Fraud Examiner (CFE)

16 Certified Internal Auditor (CIA)

17 (a) Definitions. As used in this Section:

18 (1) *Board* means the Guam Board of Accountancy.

19 (2) *Accounting, Auditing, Budgeting, and Management*
20 *Professional* means any employee in the government of Guam line
21 agencies, the Office of Public Accountability, the University of Guam,
22 or the Guam Department of Education who are essential for the
23 delivery, maintenance, and preparation of the financial statements and
24 fiscal management of the government of Guam.

25 (3) *Known-Promotional-Potential (KPP)* means an upward
26 career mobility in a series of positions within an organization without

1 competition, and where at an earlier date an employee was selected
2 under a competitive examination.

3 (4) *Certified Public Accountant (CPA)* means anyone who
4 has passed the United States of America's national CPA exam and is
5 licensed on Guam, or who has reciprocity with the Guam Board of
6 Accountancy.

7 (5) *Certified Professional* means anyone who:

8 (A) has passed a nationally recognized exam;

9 (B) is duly certified to practice in their related field;

10 (C) is required to comply with the authorizing board in
11 regards to continuing professional education; and

12 (D) is required to comply with ethical and other
13 professional standards.

14 (b) Recognition of the Professional Accounting Associations on
15 Accounting Certification and Leadership. The following are the nationally
16 recognized professional certification organizations for the respective
17 professions:

18 (1) The American Institute of Certified Public Accountants
19 (AICPA) is the world's largest association representing the accounting
20 profession. The AICPA sets forth the Certified Public Accountant
21 (CPA) examination requirements and monitoring, ethical standards,
22 and auditing standards for the CPAs licensed to practice within the
23 United States and its territories;

24 (2) The Association of Government Accountants (AGA) is
25 the organization that establishes the criteria for the Certified
26 Government Financial Manager (CGFM) exam and the ethical
27 standards that CGFMs must adhere to;

1 (3) The Association of Certified Fraud Examiners (ACFE) is
2 the largest anti-fraud organization, and the organization that
3 establishes the requirements of the Certified Fraud Examiners (CFE)
4 examination; and

5 (4) The Institute of Internal Auditors (IIA) is the largest
6 global association of internal auditors, and sets the examination
7 requirements for the Certified Internal Auditor (CIA) designation.

8 The AICPA, AGA, ACFE, and IIA are the premier accounting and auditing
9 organizations and *shall* be recognized by *I Maga'lahañ Guåhan* and *I Liheslaturan*
10 *Guåhan* as the professional organizations that establish the rigorous examination
11 requirements of their respective certifications for the accounting, government
12 finance, anti-fraud, and internal audit fields.

13 (c) Certification Pay Differential, Established.

14 (1) All government of Guam line agencies, the Office of
15 Public Accountability, the University of Guam, and the Guam
16 Department of Education employees who have obtained a nationally-
17 recognized certification as a Certified Public Accountant (CPA),
18 Certified Government Financial Manager (CGFM), Certified Fraud
19 Examiner (CFE), or Certified Internal Auditor (CIA), *shall* be entitled
20 to receive a one-time certification pay differential. A Guam licensed
21 CPA *shall* be eligible to receive an additional fifteen percent (15%)
22 increase. The CGFM, CFE, and CIA, which are nationally recognized
23 but *not* required to be Guam licensed, *shall* be eligible to receive an
24 additional ten percent (10%) increase. The pay differential *shall* apply
25 and is limited to a single certification, and *shall not* be used in any
26 calculation of the rate of pay with respect to overtime, and *shall not* be

1 considered pay or compensation in any calculation of enhanced
2 compensation otherwise provided by law.

3 (2) The Director of Administration and the President of the
4 University of Guam *shall* implement a one-time certification pay
5 differential for all the CPA, CGFM, CFE, and CIA who are active in
6 their area of certification. Accounting, Auditing, Budgeting, and
7 Management professionals who have a national or Guam Board
8 certification *shall* be entitled to the certification pay differential
9 provided in Item (1) of this Subsection, calculated at the rates above,
10 added to the base pay to rectify an inequity in certification pay.

11 (d) Developmental Promotions (KPP) Designation. Government of
12 Guam line agencies, the Office of Public Accountability, the University of
13 Guam, and the Guam Department of Education who recruit professionals in
14 accounting, auditing, budgeting, or management *shall* be authorized to hire
15 such professionals as ‘known-promotional-potential’ on the basis of CPA,
16 CGFM, CIA, or CFE certifications, as provided in the Government of Guam
17 Personnel Rules and Regulations and Operations Procedure Manual. A KPP
18 qualified employee *shall* be entitled to the pay differential provided in one
19 (1) initial certification pay increase based on Subsection (c).

20 (e) Implementation. The Director of Administration and the
21 President of the University of Guam *shall* transmit a status report to the
22 Speaker of *I Liheslaturan Guåhan* every quarter after the enactment of this
23 Act, and upon the implementation of the provisions within this Act.”

24 **Section 3. Effective Date.** The provisions of this Act *shall* be effective on
25 October 1, 2015, and subject to the availability of funds of the employee’s agency
26 or department budget.

1 **Section 4. Severability.** If any provisions of this Act or its application to
2 any person or circumstance is found to be invalid or contrary to law, such
3 invalidity shall *not* affect other provisions or applications of this Act which can be
4 given effect without the invalid provisions or applications, and to this end the
5 provisions of this Act are severable.