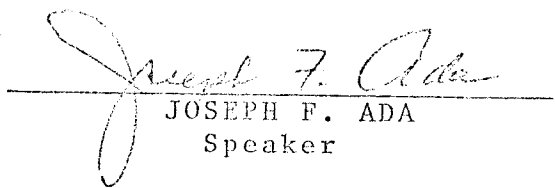



FOURTEENTH GUAM LEGISLATURE
1977 (FIRST) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR

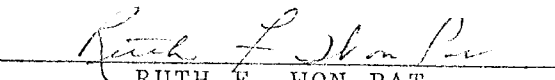
This is to certify that Substitute Bill No. 273, "An Act to appropriate funds for reimbursement of CETA funds and for other purposes," was on the 15th day of April, 1977, duly and regularly passed.


JOSEPH F. ADA
Speaker


ATTESTED:


ERNESTO M. ESPALDON
Legislative Secretary

This Act was received by the Governor this 18th day of April, 1977, at 3:05 o'clock P.M.


RUTH F. WON PAT
Assistant Staff Officer
Governor's Office

APPROVED:


RICARDO J. BORDALLO
Governor of Guam

DATED: April 24, 1977
11:35 AM

P.L. 14-21

Though I take exception to the statements made in the Legislative findings. The findings contained several statements that are inaccurate or ill-informed. The following is a statement of Executive Findings:

Pertinent information related to the statement of Legislative findings are hereby provided for your guidance.

I. Application for Grant on Comprehensive Employment Training Act (CETA) Titles I, II, and VI have been submitted on schedule.

A. Title I - Covering the period of October 1, 1976 to November 30, 1977 was in the process for submission, however as per instruction of Mr.

Pickens, he instructed extension of the existing Title I budget which would have ended on September 1976 to December 1976. This was approved by Mr. Royce Halsey on December 30, 1976. The period covering January 1, 1977 to September 30, 1977 was resubmitted on December 29, 1976 to the Regional Office at San Francisco. Mr. Pickens in early January via telephone informed the Guam Director of Labor that the grant package still need corrections. Mr. Umagat suggested to Mr. Pickens to send a letter to Guam outlining the deficiencies so that corrections could be made and ready for his review when he arrive Guam, but Mr. Pickens said that he will handcarry the package to Guam. At this point, Mr. Umagat had expressed his concern in spending Title I funds without an approved grant, but Mr. Pickens assured him that he will take care of this matter at his end. Mr. Pickens arrived Guam February 5th but was not able to confer with the labor officials until February 7th. Discussion on the matter was held at the Department of Labor and corrections as per his instructions were made. Acting CETA Administrator handcarried the application on February 16, 1977 to the Regional Office upon instruction of Mr. Charles Pickens. The Acting Administrator upon her

return to Guam brought back the application for corrections. . . This application was still pending with our Office for compliance with the new instructions provided by Mr. Pickens.

- B. Title II - This application was submitted to Regional Office on January 14, 1977 to cover period beginning January 1, 1977 to September 30, 1977 and was approved on January 31, 1977. Therefore, the reimbursement required by Region IX is improper.
- C. Title VI - Application covering the period January 1, 1977 to September 30, 1977 was submitted to the Regional Office on January 14, 1977. Application was prepared for full funding.

On February 3, 1977, a call from Miss Alice Freeman was received by the CETA Accountant and a cable was send on the same date by Miss Freeman advising us that they were recommending conditional approval and funding pending submission of up-to-date narratives. Narrative submitted were based on the old federal guidelines because Guam Department of Labor has not been furnished the new guidelines specified in CETA Bulletin 49-76. Miss Alice Freeman in the cable stated that new guidelines will be mailed to Guam on February 2, 1977 but we have not received the copy as of March 17, 1977. Expenditures of \$147,863 for Title VI was based on information provided by Miss Freeman in her telex dated February 3, 1977.

Please take note that on February 23, Mr. Pickens made a confirmation of our application on Title VI in his letter to the Director of Labor pointing out the areas needing correction on Title VI application based on CETA Bulletin 49-76 which was never received by Guam Labor Department nor is it included in the letter giving Guam until February 25, 1977 to complete the changes and corrections required. The letter did not arrive on Guam until February 28, 1977. The Director of Labor made a reply on March 1, 1977 addressed to Mr. Charles Pickens.

To assure that substantive efforts are made to remedy the deficiencies in the program and to properly apply for federal grants to continue the CETA programs, the Governor appointed a Task Force to recommend and oversee the implementation of needed changes. As date the recommendations made and responded to are as follows:

1. The Governor has ordered that the positions of CETA

Administrators and all CETA staff positions be placed in the classified service of the Government of Guam Civil Service System to assure continuity of management. The Governor has requested an upgrading of some positions in order to attract more qualified candidates. All recruitments will be made pursuant to the merit system. The Governor has invited the Region IX Director to have a representative sit on the interviewing and selection committee.

The Task Force has accepted the offer of Region IX to utilize the services of their office to establish methodology to track CETA clients, manage cash flow, provide accurate timely federal and internal reports, and determine the eligibility of potential program participants.

The Governor has also chosen and appointed members to the State Manpower Services Council which should hold its initial meeting very soon. This Council will have the responsibility of overseeing the continued operation of all CETA Programs.

Under the Organic Act, the Executive Branch, is responsible for the enforcement of laws and the administration of all programs, and should therefore be, and continue to be, the prime sponsor of any CETA program.

The Executive Branch has exerted every effort to expedite the reinstatement of the CETA program.

Though the Executive Branch finds that the Legislature findings are fraught with incorrect statements, the Governor, in fulfillment of his pledge to be constantly humble before the People, has decided to sign Bill 273 so that funds will be available to pay CETA employees and reimburse the Federal Department of Labor.

It should also be noted that the procedure for reimbursement proposed in Section 2 is contrary to the Organic Act which delegates the responsibility of the "general supervision and control of all departments, bureaus, agencies and other instrumentalities of the Executive Branch of the Government of Guam", to the Governor of Guam and not to the Guam Legislature.

FOURTEENTH GUAM LEGISLATURE
1977 (FIRST) Regular Session

Bill No. 273
Substituted by the Committee
on Finance and Taxation

Introduced by

E. M. Calvo
B. M. Palomo
F. F. Blas

AN ACT TO APPROPRIATE FUNDS FOR
REIMBURSEMENT OF CETA FUNDS AND
FOR OTHER PURPOSES.

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

2 Section 1. Statement of Legislative Findings. The

3 Comprehensive Employment Training Act (CETA) has fulfilled
4 an important function in the territory of Guam since 1974,
5 helping hundreds of unemployed individuals obtain job
6 training and ultimately, full-time employment in the public
7 and private sectors of Guam's economy. Since 1976,
8 despite federal audit reports and formal notification of
9 serious problems in the local administration of the CETA
10 programs, neither the Governor, as prime sponsor of the CETA
11 program on Guam, nor his subgrantee, the Guam Department of
12 Labor, have engaged in substantive efforts to remedy the
13 recognized deficiencies in the program or to properly apply
14 for federal grants to continue the CETA programs for the
15 succeeding fiscal year.

16 The Federal government, having received no proper grant
17 applications or adequate answers to a seven (7) month old
18 letter detailing serious charges against the administration
19 of the local CETA program, terminated all federal support
20 for the local CETA program as of December 31, 1976, their
21 previously stated deadline. Nonetheless, the local sponsor
22 and his subgrantee continued to draw funds through a federal
23 letter-of-credit and improperly expended such funds to
24 continue the CETA program beyond the December 31, 1976

1 deadline in the sum of One Hundred Eighty-Seven Thousand
2 Five Hundred Seventy-Seven Dollars (\$187,577).

3 The Legislature finds that it is necessary to refund
4 the sum of One Hundred Eighty-Seven Thousand Five Hundred
5 Seventy-Seven Dollars (\$187,577) to the Federal government
6 in order to ensure that efforts to reinstate federal funding
7 of Guam's CETA program are immediately begun.

8 In addition, local funds from an as yet unidentified
9 budget source were unlawfully expended to continue the local
10 CETA program until pay period ending March 26, 1977. On
11 April 11, 1977, the Director of the Guam Department of
12 Labor notified CETA participants that further local funds
13 were not available unless the Fourteenth Guam Legislature
14 appropriated local funds to operate the federal CETA program.

15 The Legislature finds that CETA participants should be
16 paid for the week they worked before being terminated by
17 the Governor because neither federal nor local funds were
18 available to pay them.

19 During the three (3) month period of January-March 1977,
20 the CETA program operated with local funds but without
21 legislative authorization. In excess of Five Hundred
22 Thousand Dollars (\$500,000) of local funds were expended by
23 the Governor and the Guam Department of Labor.

24 The Legislature finds that any appropriation made by
25 this Act shall not be construed as forgiving any mis-
26 appropriation of funds by the CETA sponsor or the CETA
27 subgrantee.

28 After meeting with federal officials concerning the
29 termination of federal funding of the Guam CETA program;
30 after several days of receiving testimony from those
31 individuals responsible for the sponsorship and administra-
32 tion of the Guam CETA program; and upon formal written

1 request of the federal representative for Guam and the Trust
2 Territory on CETA matters, the Legislature determined that
3 it had reason to subpoena all local CETA records for safe-
4 keeping, audit and possible criminal charges for alleged
5 improper payments by Special Assistants to the Governor
6 and local government of Guam department of Labor officials.

7 The Legislature finds that both the prime sponsor of
8 the Guam CETA program, the Governor of Guam, and the sub-
9 grantee, the Guam Department of Labor, by their inactions
10 and questionable actions concerning the local CETA program,
11 are unfit to continue in any capacity to administer the
12 federal CETA program, and therefore the Legislature respect-
13 fully requests the Federal Department of Labor Regional
14 Administrator for Employment and Training Administration,
15 or his designee, to designate a new prime sponsor for the
16 Guam CETA program.

17 The Legislature finds that although the federally-
18 funded CETA program for Guam has been and should continue
19 to be an important vehicle in the training and job placement
20 of a large number of unemployed individuals on Guam, the
21 Legislature must look to the broader responsibilities it
22 carries to the whole territory in determining that it cannot
23 fund a continuation of the federal CETA program from scarce
24 local funds.

25 The Legislature finds that if every good faith effort
26 is made by all local parties involved in the administration
27 of the CETA program a rapid reinstatement of federal funds
28 for the renewal of the Guam CETA program can occur.

29 The Legislature pledges that it will exert every effort
30 to expedite the reinstatement of federal funding for the
31 Guam CETA program and to that end, the Legislature respect-
32 fully requests the Federal Department of Labor Regional

1 Administrator for Employment and Training Administration,
2 or his designee, to move with all dispatch to respond to the
3 good faith efforts of the Legislature to resolve federal
4 concerns over the administration of the Guam CETA program.

5 Section 2. There is hereby appropriated One Hundred
6 Eighty-Seven Thousand Five Hundred Seventy-Seven Dollars
7 (\$187,577) from the General Fund to the Guam Legislature
8 Operations Fund for reimbursement to the Federal government
9 of overdrawn CETA funds.

10 Section 3. The sum appropriated in Section 2 shall
11 be used for reimbursement of the U.S. Federal government
12 Department of Labor Region 9 Comprehensive Employment
13 Training Act (CETA) funds.

14 Section 4. The sum of One Hundred Thousand Dollars
15 (\$100,000) is appropriated from any available funds in the
16 General Fund to the Department of Labor to fund salaries of
17 CETA employees for the period beginning March 27, 1977 and
18 ending April 9, 1977.

19 Section 5. This Act shall be effective upon enactment.