

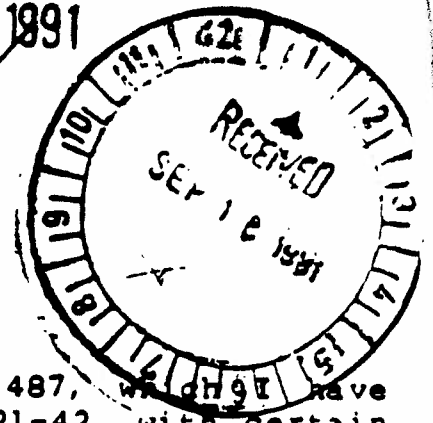


*Territory of Guam
Territorio de Guam*

OFFICE OF THE GOVERNOR
LFSINAN I MAGA LAHI
AGANA, GUAM 96910

**REFER TO
LEGISLATIVE SECRETARY**

SEP 15 1991



The Honorable Joe T. San Agustin
Speaker, 21st Guam Legislature
155 Hernan Cortes Avenue
Agana, GU 96910

Dear Mr. Speaker:

Transmitted herewith is Substitute Bill 487, which I have this date signed into law as Public Law 21-42, with certain item reductions and vetoes.

These item reductions and vetoes total approximately \$27 million, leaving this budget with approximately \$531 million in appropriations from the general fund. Taking a look at FY 1992 as a whole, we are estimating revenue levels of \$605 million for FY 1992. With this budget bill, previously approved appropriation bills involving Guam Memorial Hospital, the Superior Court of Guam and the Public Defenders Office now awaiting final action, continuing appropriations for debt service, and previously approved appropriation measures, we are left with a surplus of \$20.6 million, which will be used to begin those capital improvement projects which were approved in FY 1991 and which have been on hold since that time.

As you know, Mr. Speaker, this Administration has been committed to capital improvement projects since we took office in 1987. Our top priority in spending, after all, must be on projects which will result in lasting benefit to our people. To further realize this commitment, in the coming weeks, I will be transmitting to your office proposed measures to generate new sources of revenues for the Territory, revenues which will be dedicated solely to capital improvement projects.

This bill, which I have today signed into law, essentially keeps the operating levels of the Government of Guam at FY 1991 levels, with a few exceptions, most notably the Department of Education. We are very pleased with legislative support of educational programs and our commitment to education as another top priority of our Administration. The FY 1992 Department of Education budget calls for \$136 million in operating expenses and an additional \$19 million in capital improvement projects. We are spending money now, Mr. Speaker, to ensure a better Guam tomorrow.

There are, however, certain sections of the bill that are of major concern to the Administration, in particular, page 222, Chapter III, section 11(b) and page 277, Chapter IV, section 20(a), two sections which in essence establish a dangerous precedent by grandfathering certain employees who were hired on a noncompetitive contract basis into statutorily-created positions. We have worked hard to restore integrity to the merit system within the Government of Guam. While the intent of this legislation may seem reasonable, and certainly we have no specific complaint with the work done by those employees affected by this legislation, the precedent set by this action does pose a threat to the integrity of the merit system in the future. This, Mr. Speaker, is not good, and I would urge you and your colleagues to remedy this potential problem with appropriate legislation to ensure that the merit system is not compromised in any way.

A further concern is the ongoing practice of funding non-profit organizations without requiring any level of accountability from these organizations for the expenditure of taxpayer dollars. While we have no quarrel with the fine work these organizations perform, we nevertheless must insist on such accountability.

In regards to this bill which I have signed into law today, following is a complete accounting of the item reduction and veto actions which I have taken.

In Chapters II and IV, item reductions and veto actions are as follows:

1. We have identified \$1.6 million in cuts in the various operational levels of the departments and agencies that reflect partial funding for new and vacant positions. These are positions which will be filled during FY 1992, but given the exigencies of recruiting and other steps to fill these positions, we do not anticipate having to fund salaries for these positions for a full fiscal year and we have made reductions accordingly:

<u>Page</u>	<u>Line</u>	<u>From</u>	<u>To</u>
24	8	\$ 366,679	\$ 320,359
36	9	88,859	75,063
55	14	117,734	100,902
57	7	159,481	134,273
67	27	22,783	19,217
73	12	78,956	66,257
76	21	78,581	66,078

79	15	126,308	106,214
83	17	147,079	123,984
86	15	57,391	48,345
90	2	74,650	62,869
92	2	196,202	165,567
94	22	106,497	89,784
97	17	133,241	112,233
101	22	68,887	58,107
104	14	157,764	132,928
108	1	133,811	112,718
111	6	64,924	54,611
113	16	54,061	45,647
116	20	174,393	146,918
119	7	154,403	130,204
121	20	150,440	126,708
125	13	88,877	74,821
129	23	68,887	58,107
132	21	130,450	109,994
134	22	61,563	51,887
137	11	154,224	129,920
140	13	163,380	137,699
146	21	88,399	74,155
149	3	110,191	92,660
162	19	139,225	117,316
168	6	74,383	67,251
171	5	40,755	32,218
177	7	140,059	118,023
182	13	281,190	236,436
195	13	25,123	21,203
198	4	168,649	142,043
202	2	87,595	81,310
210	8	445,385	391,110
250	4	117,415	88,060
268	11	944,200	829,486
300	21	1,283,679	789,959
307	5	368,466	132,616

In Chapter III of this bill, the item reductions and vetoes are as follows:

2. On page 220, Section 1(b), I have line item vetoed \$5 million in general fund subsidies to the Guam Power Authority to fund the \$5440 costs. The recent financial statements of the Guam Power Authority indicate GPA is able to absorb this cost on its own.
3. On page 224, Section 13, I have line item vetoed the appropriation of \$15,000 to the Department of Mental Health and Substance Abuse to produce an

information broadcast video on drug abuse. is a project that will be funded through existing federal programs on drug education.

4. On page 226, Section 22(c), I have reduced appropriation to Agana Heights Municipal Planning Council for its gymnasium maintenance from \$118,455 to \$20,000, which is the amount given the Council in FY 1991 for this purpose.
5. On page 232, Section 43, I have line item vetoed the entire amount of \$16,032,000 to the Department of Public Works for the construction of gymnasiums throughout Guam. This section proposes to provide a maximum of \$1 million each to 15 villages for gymnasiums, a sum which is inadequate. In addition, already, as we know, there are plans and movement towards the completion of several gymnasiums throughout the island: such as the Sports Complex in Dededo; Tamuning, at the Paseo in Agana, in Agana Heights, and additionally, we are moving towards constructing multiple purpose gymnasiums in connection with the northern and southern High Schools, as well as constructing or upgrading gymnasiums at F.B. Leon Guerrero Middle School, George Washington High School, John F. Kennedy High School and Inarajan High School. It is, in addition, a policy of our Administration that these gymnasiums be made available to the community at large. For those reasons, we are line item vetoing this section of this Public Law.
6. On page 233, section 44, I have reduced the appropriation of \$50,000 to Umatac Municipal Planning Council for Discovery Day festivities to \$25,000, which is the level at which this activity was funded in FY 1991.
7. On page 234, section 46, I have reduced the appropriation of \$317,872 to the Western Pacific Association of the Disabled to the FY 1991 level of \$21,000. Elsewhere in this FY 1992 budget, the Guam Mass Transit Authority received an appropriation of \$246,000 to fund the door-to-door transportation services for Guam's disabled. Additional funds to WPAD, therefore, would represent an unnecessary duplication.
8. On page 234, section 47, I have reduced the appropriation of \$702,070 to the non-profit organization, Sanctuary, Inc., to its FY 1991 level of \$500,000.

9. On page 236, section 49, I have reduced the appropriation of \$500,000 to the employees' PCB recovery fund to \$400,000, which is, nevertheless, double the amount appropriated to this fund in FY 1991.
10. On page 237, section 50(e), I have line item vetoed the appropriation of \$650,000 to the Department of Administration for the establishment of a "Hazardous Exposure Fund". The intent of this section can be carried out through the appropriation in section 49.
11. On page 239, section 54, I have reduced the appropriation of \$30,000 to the Department of Parks and Recreation to fund activities of the Guam Bowling Congress to \$22,000.
12. On page 239, section 55, I have reduced the appropriation of \$235,000 to the Guam Youth Football League to \$147,500, which is adequate to fund their equipment needs and such off-island competition which may arise. I call attention to our concern with legislative appropriations to non-profit organizations without a high degree of accountability for the taxpayer money involved.
13. On page 239, section 56, I have reduced the appropriation of \$22,871 to the United States Sea Cadet Corps to its FY 1991 level of \$5,000.
14. On page 240, section 59, I have line item vetoed the appropriation of \$170,000 to the Department of Public Works for a perimeter fence around the Agana Heights Community Center/Recreational Facility. The Government of Guam has already dedicated more than \$1 million to this municipality for the purpose of funding its recreational facilities.
15. On page 241, section 64, I have line item vetoed the appropriation of \$38,925 to the University of Guam to send 15 students to Beijing, China, for a conference. Please note that in Fiscal Year 1992, the University of Guam has a shortfall of more than \$6 million for its operational needs. Given this fact, this expenditure cannot be considered a priority expenditure. Moreover, this would set a dangerous precedent which could result in every class at UOG, GCC and the Guam public schools expending public funds for travel purposes.

16. On page 241, section 67, I have line item vetoed the appropriation of \$2 million to the Department of Education to fund the third increment of air conditioning installation throughout the various public schools in Guam. Existing and remaining revenues in DOE's air conditioning fund total more than \$2 million at this time, which should be more than sufficient to complete this project as scheduled. It should be noted, however, that these funds cannot be expended until the completion of the electrical engineering survey of all public schools in Guam, expected later this school year.
17. On page 243, section 73, I have reduced the appropriation of \$10,000 to the Guam Cycling Federation for off-island competition to \$8,000.
18. On page 244, section 78, I have line item vetoed the appropriation of \$250,000 to the Guam Police Department to establish a police precinct in the village of Inarajan. There has already been an appropriation of \$75,000 to increase the police presence in this municipality by establishing a precinct in Inarajan.
19. On page 245, section 82, I have reduced the appropriation of \$200,000 to the Department of Youth Affairs for equipment purchases to \$100,000. In another section of this bill, DYA has already received additional funds in its operational budget for equipment and capital outlay needs.
20. On page 246, section 87(b), I have reduced the appropriation of \$379,200 to the Department of Public Works for various road improvements in the municipality of Agat, including the Nimitz Beach area, to \$250,000. Public Law 21-24 has already appropriated \$1 million in road and other improvements in this same area.
21. On page 246, section 89, I have line item vetoed the appropriation of \$2,377.25 for reimbursement of expenses incurred as a result of a water line installation at a residence in Mangilao.
22. On page 248, section 95, I have line item vetoed the appropriation of \$70,000 from the Tourist Attraction Fund to the Guam Visitors Bureau for the purpose of completing its office space requirements. An earlier appropriation to GVB is sufficient to cover this need.

23. On page 248, section 96, I have reduced the appropriation of \$33,000 to the Department of Parks and Recreation to cover off-island travel costs for the Guam Baseball Federation to \$23,000. DPR has stated that the reduced amount will be sufficient for such travel.
24. On page 249, section 97, I have reduced the appropriation of \$190,000 to the Department of Public Works to resurface basketball courts in Agat to the amount of \$100,000. We have been assured that the reduced amount will be sufficient for this project.
25. On page 249, section 100, I have line item vetoed the appropriation of \$25,000 to the Department of Public Works for the removal of structures damaged by Typhoon Russ in the municipality of Merizo. An earlier appropriation related to Typhoon Russ recovery efforts is sufficient to cover this need.

In Chapter V of this bill, item reductions and vetoes are as follows:

26. On page 322, section 8(c), I have reduced the appropriation of \$150,000 to the University of Guam for the establishment of medical archives relating to diseases indigenous to Guam to \$75,000, which the University indicates is an adequate amount to launch this effort.
27. On page 322, section 8(f), I have reduced the appropriation of \$100,000 to the University of Guam to fund the continuance of Lytico-Bodig research in Guam to \$50,000. The total amount appropriated to the University for the Lytico-Bodig research project is at the FY 1991 level of \$100,000. It should be noted, however, that it is our desire, as well as that of the University, to establish such research projects for other diseases indigenous to Guam.
28. On page 330, section 13(i), I have reduced the appropriation of \$250,000 (\$200,000 of which was to go to the Civil Service Commission and \$50,000 to the judicial branch of the Government of Guam) to \$125,000, to be allocated solely to the Civil Service Commission for the implementation of the Hay Study. This amount is sufficient for this implementation.

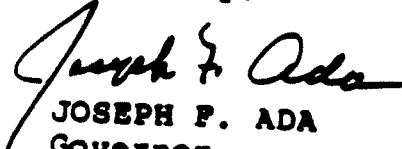
Mr. Speaker, on behalf of the people of Guam, I would like to extend my personal appreciation to you and your colleagues for approving this bill in a swift and efficacious manner. Many times in the past, budget deliberations have been the subject of rancorous debates which threatened the financial well-being of our island.

Instead, we have a document which, as I stated earlier, results in a surplus of \$20.6 million, which we can utilize to fund important capital improvement projects which have been previously approved by the Legislature and signed into law by this Administration.

There is no end to the good that we can accomplish for the people of Guam through the cooperative spirit you and your colleagues have demonstrated during the budget process. Let us continue to work together in this spirit of cooperation so that our island and our people continue to grow and prosper.

Thank you and Si Yu'os Ma'ase.

Sincerely,

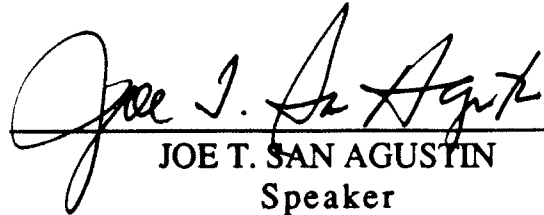

JOSEPH F. ADA
Governor

210415

01
TWENTY-FIRST GUAM LEGISLATURE
1991 (FIRST) Regular Session


CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR

This is to certify that Substitute Bill No. 487 (COR), "AN ACT TO REENACT THE APPROPRIATIONS PROVIDED TO THE EXECUTIVE BRANCH IN FY 1991 TO MAKE THE SAME LEVEL OF APPROPRIATIONS AVAILABLE IN FY 1991, TO PROVIDE CERTAIN ADDITIONAL APPROPRIATIONS AS SPECIFIED, AND TO PROVIDE APPROPRIATIONS TO THE GUAM VISITORS BUREAU, THE GUAM MASS TRANSIT AUTHORITY, AND THE GUAM LEGISLATURE," was on the 30th day of August, 1991, duly and regularly passed.




JOE T. SAN AGUSTIN
Speaker

Attested:



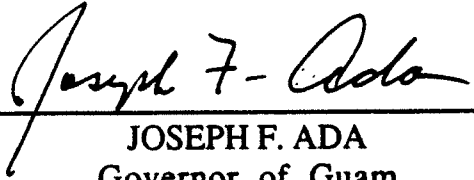
PILAR C. LUJAN
Senator and Legislative Secretary

This Act was received by the Governor this 10th day of September, 1991, at
4:55 o'clock P. M.




Assistant Staff Officer
Governor's Office

APPROVED:



JOSEPH F. ADA
Governor of Guam

*with certain
reductions noted
herein.* 

Date: SEP 15 1991

Public Law No. 21-42

TWENTY-FIRST GUAM LEGISLATURE
1991 (FIRST) Regular Session

Bill No. 487 (COR)

Substitute Bill by Committee on Ways and Means

Introduced by:

Committee on Ways and Means

C.T.C. Gutierrez

H.D. Dierking

J.P. Aguon

E.P. Arriola

J.G. Bamba

A.C. Blaz

D.F. Brooks

E. M. Espaldon

M.D.A. Manibusan

D. Parkinson

M.J. Reidy

M.C. Ruth

D.L.G. Shimizu

M.Z. Bordallo

P.C. Lujan

G. Mailloux

J.T. San Agustin

F.R. Santos

E.R. Duenas

A.R. Unpingco

AN ACT TO REENACT THE APPROPRIATIONS PROVIDED TO THE EXECUTIVE BRANCH IN FY 1991 TO MAKE THE SAME LEVEL OF APPROPRIATIONS AVAILABLE IN FY 1992, TO PROVIDE CERTAIN ADDITIONAL APPROPRIATIONS AS SPECIFIED, AND TO PROVIDE APPROPRIATIONS TO THE GUAM VISITORS BUREAU, THE GUAM MASS TRANSIT AUTHORITY, AND THE GUAM LEGISLATURE.

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

2 Chapter I

3 GENERAL PROVISIONS

4 Section 1. Short Title. This Act may be known as the "Executive Branch Budget
5 Act of 1992". Except as otherwise provided by this Act, the appropriations made by this Act
6 shall be available to pay for obligations incurred on or after October 1, 1991 but not later
7 than September 30, 1992. In the event that any appropriation of this Act is found contrary
8 to federal law, all portions not so found shall remain valid.

9 Section 2. Estimated Revenues. The Legislature adopts the following as its
10 revenue forecast for Fiscal Year 1992:

385 ar
655

Committee on Ways and Means
Substitute Bill 487
THE EXECUTIVE BRANCH BUDGET ACT
OF 1992

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GUAM COMMUNITY COLLEGE TOURIST ATTRACTION FUND	216

		<u>AMOUNT</u>
1	I. GENERAL FUND REVENUES	
2	A. TAXES	
3	Income Tax (Corporate and Individual)	\$381,166,000
4	Federal Income Tax Collection (Sec. 30 Funds)	44,364,000
5	Gross Receipts Tax	166,757,000
6	Real Property Tax	8,454,000
7	Other Taxes	9,840,000
8	B. BUSINESS LICENSES AND OTHERS	
9	Licenses and Permits	3,450,000
10	C. FEDERAL CONTRIBUTION	3,426,000
11	D. USE OF MONEY & PROPERTY	
12	Interest/Rental & Public Service Charges	12,733,000
13	E. OTHERS LICENSES AND FEES	2,875,000
14	F. ESTIMATED LAPSES FROM FY 1991	
15	APPROPRIATIONS FOR PERSONNEL SERVICES	<u>19,751,440</u>
16	TOTAL GENERAL FUND REVENUE	\$652,816,440
17	II. SPECIAL FUND REVENUES (LOCAL)	
18	A. Public Utility Agency of Guam	12,988,935
19	B. Tourist Attraction Fund	16,153,862
20	C. Housing Revolving Fund	386,758
21	D. Abandoned Vehicle and Streetlight Fund	450,000
22	E. Guam Contractors License Board Fund	500,000
23	F. Land Survey Revolving Fund	450,000
24	G. Professional Engineers, Architect and Licensing Surveyors Fund	130,000
25	H. Special Surplus Property Fund	60,506
26	I. Guam Community College Non-Appropriated Fund	718,425
27	J. Hospital Operations Fund	37,433,388
28	K. Public Transit Fund	52,000

1	L. Parks Fund	<u>88,000</u>
2	TOTAL SPECIAL FUND REVENUE	\$69,411,874
3	III. FEDERAL GRANTS-IN-AID REVENUE	
4	Federal Grants-In-Aid Requiring Local Match:	
5	A. Labor	107,917
6	B. Civil Defense	123,394
7	C. Public Health and Social Services	10,698,733
8	D. Guam Environmental Protection Agency	1,519,301
9	E. University of Guam	1,357,594
10	F. Guam Council on the Arts and Humanities Agency	201,000
11	G. Vocational Rehabilitation	1,684,516
12	H. Library	74,091
13	I. Agriculture	305,000
14	J. Law	<u>1,413,848</u>
15	Subtotal	\$17,485,394
16	Federal Grants-In-Aid Requiring In-Kind Match:	
17	A. Labor	\$1,011,674
18	B. Guam Police Department	<u>195,000</u>
19	Subtotal	\$1,206,674
20	TOTAL FEDERAL GRANTS-IN-AID REVENUE	\$18,692,068
21	REVENUE SUMMARY:	
22	TOTAL GENERAL FUND REVENUE	652,816,440
23	TOTAL SPECIAL FUND REVENUE	69,411,874
24	TOTAL FEDERAL GRANTS-IN-AID REVENUE REQUIRING	
25	LOCAL MATCH	<u>18,692,068</u>
26	GRAND TOTAL	\$740,920,382

27 Section 3. The following are estimated receipts for One Hundred Percent (100%)
28 federal grants-in-aid: