

ATTACHMENT "A"

FISCAL YEAR 1995 DEPARTMENTAL BUDGET

DEPARTMENT	FY'95	FY'95 SUBTOTAL	FY'94
ADMINISTRATION	\$ 10,953,118		11,409,498
AGRICULTURE	3,906,497		4,069,268
BUREAU OF BUDGET	1,454,654		1,515,265
BUREAU OF PLANNING	1,113,584		1,159,983
CHAMRO LANGAGE COMM	145,171		151,220
CHIEF MEDICAL EXAMINER	308,734		321,598
CIVIL DEFENSE	288,972		301,012
CIVIL SERVICE COMMISSION	1,134,367		1,181,632
COMM ON SELF DETERMINATION	960,341		1,000,355
COMMERCE	4,594,606		4,786,048
CORRECTIONS	13,566,198		14,131,456
GUAM ED TEL COMM (KGTF)	547,432		570,242
GUAM COMM COLLEGE	11,481,123		11,959,503
GUAM COUNCIL ON ARTS	767,297		799,268
GUAM ELECTION COMM	534,876		557,162
GUAM ENVIRONMENTAL PROTECTION	1,760,508		1,833,863
GUAM FIRE	17,499,795		18,228,953

DEPARTMENT	FY'95	FY'95 SUBTOTAL	FY'94
GUAM HEALTH PLANNING	340,843		355,045
GUAM POLICE	24,528,569		25,550,593
DEPARTMENT OF LABOR	4,283,163		4,461,628
LAND MANAGEMENT	4,426,501		4,610,939
DEPARTMENT OF LAW	8,312,607		8,658,966
GUAM LIBRARY	1,373,790		1,431,031
MAYORS COUNCIL	3,894,813		4,057,097
MAYORS COUNCIL (CDF)	2,790,454		2,906,723
MENTAL HEALTH	5,214,277		5,431,539
MILITARY AFFAIRS	502,425		523,359
MUSEUM	89,203		92,920
OFFICE OF THE GOVERNOR	5,148,052		5,362,554
PARKS & RECREATION	5,628,684		5,863,212
PUBLIC HEALTH	47,331,695		49,303,849
PUBLIC WORKS	31,530,902		32,844,690
REVENUE & TAXATION	11,125,803		11,589,378
VETERANS AFFAIRS	151,661		157,980
VOCATIONAL REHABILITATION	1,100,289		1,146,836
EDUCATION	132,831,870		138,366,531

DEPARTMENT	FY'95	FY'94
TERRITORIAL PLANNING COUNCIL	442,368	480,000
MUSEUM POSITIONS	223,793	223,793
RETIREMETN FUND	33,159,180	29,659,180
VETERANS AFFAIRS SUPPLEMEN	57,000	
ELECTION COMMISSION SUPPLEMEN	72,000	
PUBLIC HEALTH (MIP, ETC..)	10,580,000	
CHAMRO LANGAGE COMM SUPPLE	110,592	120,000
CHAMORRO LAND TRUST COMMISSION	432,000	500,000
DEPCOR (YOUTH CORRECTIONAL FACI)	960,000	
AGANA HGTS. & TAMUNING GYM	230,000	230,000
SANCTUARY, INC.	500,000	588,000
LIGUAN TERRACE BASEBALL FIELD	5,000	
DEDEDO MIDDLE SCHOOL LIBRARY	345,000	
PUBLIC AUDITOR	450,000	50,000
WATER LINE, MURPHEY STREET	75,000	
RESPITE CARE PROGRAM	75,000	
CUSTOMS & QUARANTINE TRANSITION	250,000	
SEVENTH JUDGE	100,000	59,678,660*****
ADVANCED TEXTBOOKS (P.L. 22-41)	9,247,000	9,247,000*****

SUMMARY:

\$393,996,803
 + 17,187,166
 \$411,183,969
 - 16,447,359
 394,736,610
 31,904,291
 17,452,511
 59,678,660
 9,247,000
 + 12,946,022
 525,965,094

\$540,164,800
 - 525,965,094
 \$14,199,706

EXECUTIVE BRANCH ROLLOVER *
 JUDICIAL BRANCH ROLLOVER *
 TOTAL EXECUTIVE & JUDICIAL ROLLOVER **
 EXECUTIVE & JUDICIAL ADDITIONAL 4% CUT
 SUBTOTAL
 PUAG, GMHA, DYA ADDITIONAL 4% CUT ****
 LEGISLATIVE BUDGET 8% CUT *****
 MISCELLANEOUS ADDITIONAL 8% CUT *****
 ADVANCED TEXTBOOKS, P. L. 22-41 *****
 DEBT SERVICE
 GRAND TOTAL FROM GENERAL FUND (BILL NO. 1097)

ESTIMATED GENERAL FUND REVENUE
 GRAND TOTAL FROM GENERAL FUND (BILL NO. 1097)
 BALANCE

TWENTY-SECOND GUAM LEGISLATURE

1993 (FIRST) Regular Session

Date: 9/9/94

VOTING SHEET (AS REVISED)

Bill No. 1097
 Resolution No. _____
 Question: _____

NAME	AYE	NO	NOT VOTING/ ABSTAINED	ABSENT/ OUT DURING ROLL CALL
ADA, Thomas C.	✓			
AGUON, John P.				✓
ARRIOLA, Elizabeth P.	✓			
BAMBA, J. George		✓		
BLAZ, Anthony C. 11		✓		
BORDALLO, Madeleine Z.	✓			
BROOKS, Doris F.		✓		
CAMACHO, Felix P. 1		✓		
DIERKING, Herminia D.	✓			
GUTIERREZ, Carl T. C.	✓			
LUJAN, Pilar C.	✓			
MANIBUSAN, Marilyn D. A. /	✓			
NELSON, Ted S.	✓			
PANGELINAN, Vicente	✓			
PARKINSON, Don	✓			
REYES, Edward D.	✓			
SAN AGUSTIN, Joe T.	✓			
SANTOS, Francis E.	✓			
SHIMIZU, David L. G.	✓			
TANAKA, Thomas V. C.		✓		
UNPINGCO, Antonio R.		✓		

TOTAL 14 6 1

Twenty-Second Guam Legislature

155 Hesler Street
Pacific Arcade
Agana, Guam 96910
Telephone: (671) 472-3407 thru 9
Fax: 477-3161



CARL T. C. GUTIERREZ
Senator

Chairman, Committee
on Ways & Means

Vice-Chairman, Committee
on Rules

Vice-Chairman, Committee
on Tourism & Transportation

September 7, 1994

Honorable Speaker Joe T. San Agustin
Speaker, Twenty-Second Guam Legislature
155 Hesler St.
Agana, Guam 96910

Dear Mr. Speaker:


The Committee on Ways & Means wishes to report out its findings on **Bill No. 1097 "AN ACT TO PROVIDE APPROPRIATIONS FOR THE OPERATIONS OF THE EXECUTIVE BRANCH OF THE GOVERNMENT OF GUAM AND FOR OTHER PURPOSES FOR FISCAL YEAR 1995"** to the full Legislature with the recommendation to do pass as Introduced by the request of the Governor.

The Committee Voting Record is as follows:

TO PASS:	<u>9</u>
NOT TO PASS:	<u>0</u>
ABSTENTIONS:	<u>2</u>
INACTIVE FILE:	<u>0</u>
TO REPORT OUT:	<u> </u>

Copies of the committee report and all pertinent documents are attached for your information.

Sincerely,


CARL T. C. GUTIERREZ
Chairman, Committee on
Ways & Means

Twenty-Second Guam Legislature
Committee on Ways & Means

VOTING SHEET

BILL NO. 1097

AN ACT TO PROVIDE APPROPRIATIONS FOR THE OPERATIONS OF THE EXECUTIVE BRANCH OF THE GOVERNMENT OF GUAM AND FOR OTHER PURPOSES FOR FISCAL YEAR 1995.

	<u>TO PASS</u>	<u>NOT TO PASS</u>	<u>ABSTAIN</u>	<u>TO PLACE IN INACTIVE FILE</u>
<i>125</i> Senator Carl T. C. GUTIERREZ Chairman	✓			
<i>M. Dierking</i> Senator Herminia D. DIERKING Vice-Chairman	✓			
Senator John P. AGUON Member				
<i>E. Arriola</i> Senator Elizabeth P. ARRIOLA Member	✓			
Senator Thomas C. ADA Member				
<i>J. Bamba</i> Senator J. George BAMBA Member				<i>don't recall having a check off this bill.</i>
Senator Anthony BLAZ Member				
Senator Pilar C. LUJAN Member				
Senator Marilyn MANIBUSAN Member				
Senator Ted S. NELSON Member				
Senator Vicente C. PANGELINAN Member				
<i>David Shimizu</i> Senator David SHIMIZU Member				<i>Public hearing was re budget not heard by Committee</i>
Senator Antonio R. UNPINGCO Member				
Speaker Joe T. SAN AGUSTIN				

**COMMITTEE ON WAYS AND MEANS
COMMITTEE REPORT ON**

BILL NO. 1097

**AN ACT TO PROVIDE APPROPRIATIONS FOR THE OPERATIONS
OF THE EXECUTIVE BRANCH OF THE GOVERNMENT OF GUAM
AND FOR OTHER PURPOSES FOR FISCAL YEAR 1995.**

PURPOSE AND ESSENTIAL ELEMENTS

Bill No. 1097 provides appropriations for the Executive and Judicial Branches of the government of Guam for Fiscal Year 1995. As introduced, Bill 1097 contains two sections.

Section 1. contains estimated revenues from the General Fund of the government of Guam for Fiscal Year 1995 of \$540,164,800, and estimated revenues from Special Funds, including the Tourist Attraction Fund, of \$87,126,041, for a total of \$627,290,841. This does not include federal funds not appropriated by the Legislature, or federal funds requiring local match.

Section 2. contains various appropriations for the Executive and Judicial Branches of the government of Guam. Section 2 incorporates a "rollover" provision patterned on the rollover provision previously adopted in law for Fiscal Years 1993 and 1994, in which a declining appropriation is repeated for each territorial agency of the government. The Bureau of Budget and Management Research listing gives the amount available for FY 1995 as follows:

<u>TERRITORIAL AGENCY</u>	<u>APPROPRIATIONS - TOTAL</u>
1) Department of Administration	\$10,953,118
2) Department of Agriculture	3,906,497
3) Board of Professional Engineers, Architects, and Land Surveyors (PEALS)	-0-
4) Bureau of Budget and Management Research (BBMR)	1,454,654
5) Bureau of Planning	1,113,584
6) Chamorro Language Commission	145,171
7) Chief Medical Examiner	343,734
8) Office of Civil Defense	288,972
9) Civil Service Commission	1,384,367
10) Department of Commerce	4,594,606
11) Commission on Self Determination	960,341
12) Contractor's License Board	-0-
13) Council on Arts and Humanities Agency (CAHA)	767,297
14) Department of Corrections	13,566,198
15) Department of Education	132,831,870
16) Guam Election Commission	534,876

17)	Guam Environmental Protection Agency (GEPA)	1,760,508
18)	Guam Fire Department	17,499,795
19)	Governor's Office (includes Executive Direction, Washington Ofc., Gov. House, Comm. Disabilities, Hawaii Med. Ref., Los Angeles Med. Ref. Bur. of Women's Affairs, VIP, Passport)	5,148,052
20)	Guam Health Planning and Development Agency	340,843
21)	Department of Labor	4,283,163
22)	Department of Land Management	4,426,501
23)	Department of Law	8,312,607
24)	Guam Library	1,373,790
25)	Mayors' Council	6,685,2567
26)	Department of Mental Health and Substance Abuse	5,214,277
27)	Department of Military Affairs	502,425
28)	Guam Museum	89,203
29)	Department of Parks and Recreation	5,628,684
30)	Guam Police Department	24,528.569
31)	Department of Public Health and Social Services	47,331,695
32)	Department of Public Works	31,530,902
33)	Department of Revenue/Taxation	11,125,803
34)	Office of Veteran's Affairs	151,661
35)	Department of Vocational Rehabilitation	1,100,289
36)	Department Youth Affairs	3,801,184
37)	Guam Teacher Corps/Teacher Training Council	1,626,161

SUBTOTAL - LINE AGENCIES-----\$ 355,306,664

	<u>TERRITORIAL AGENCY</u>	<u>APPROPRIATIONS - TOTAL</u>
1)	Guam Mass Transit Authority	1,609,430
2)	Guam Educational Telecommunications Corporation (KGTF)	547,432
3)	Guam Community College	11,481,123
4)	University of Guam (excluding scholarships, loans, any form of financial assistance, Teachers Council and Corps, Chamorro Language Institute, Doc Sanchez Scholarship, Political Status Educ. Institute)	28,938,338

SUBTOTAL - -----\$42,576,323

**TOTAL APPROPRIATIONS PURSUANT TO
TO THE THREE YEAR ECONOMIC
PLAN (ROLLOVER AMOUNT) -----\$397,882,954**

In addition to the "rollover" amounts, Bill No. 1097, as introduced, includes the following appropriation requests from the Administration:

- | | | |
|----|----------------------------------|------------|
| 1) | Guam Memorial Hospital Authority | 8,343,204 |
| 2) | Public Utility Agency of Guam | 22,534,189 |

**SUBTOTAL - AUTONOMOUS AGENCIES
LUMP SUM APPROPRIATIONS-----\$ 30,877,393**

In addition to the "rollover" amounts, the Administration includes in its expense listing the following amount needed for bond debt service, not previously deleted from the total estimated revenues:

- | | | |
|----|-------------------|------------|
| 1) | Bond Debt Service | 10,357,594 |
|----|-------------------|------------|

**SUBTOTAL - ADDITIONAL APPROPRIATION
FOR BOND DEBT SERVICE, NOT
ACCOUNTED FOR BY DELETING
FROM ESTIMATED REVENUES \$10,357,594**

<u>SECTION</u>	<u>TERRITORIAL AGENCY</u>	<u>APPROPRIATION</u>	<u>PURPOSE</u>
1.	University of Guam	\$ 6,000,000	scholarships loans, financial assistance, excluding Teacher Corps and Chamorro Language Cultural Inst.
2.	Department of Education	6,500,000	'96 revenues textbooks
3.	State Council on Voc. Educ.	111,085	supplement federal funds
4.	GovGuam Retirement Fund	33,159,180	health and life insurance, COLA, sup- plemental funds
5.	Department of Administration	1,658,880	Off-Island Residential Treatment

6.	Department of Rev/Tax	389,837	collect delinquent taxes
7.	Veterans Affairs	60,000	operations
8.	Election Commission	\$75,000	operations
9.	AHRD	460,800	supplement federal funds
10.	Mental Health	360,000	Mary Clare home
11.	Public Library	162,602	books, subscr. match fed. fund
12.	Guam Museum	214,841	operations
13.	Guam Mass Transit	499,880	operations (amount in excess of rollover amt.)
14.	Mental Health	1,000,000	children's inpatient unit
15.	Territorial Planning Council	460,800	operations
16.	Public Health	4,500,000	medically indigent
		5,500,000	public assistance
		1,500,000	senior citizens
17.	Chamorro Language Commission	115,200	Institute of Chamorro Language
18.	Chamorro Land Trust Commission	450,000	operations
19.	No Appropriation		
20.	Department of Corrections	238,308	increase in current budget involving decrease DYA and increase DOC. Section 37 below.

PUBLIC HEARING

The Committee on Ways and Means conducted a joint public hearing with the Committee on Tourism and Transportation on July 13, 1994 at 9:00 a. m. in the Legislative Public Hearing Room to gather testimony on Bill No. 1097. Present at the hearing were the Chairman, Senator Carl T. C. Gutierrez, who conducted the hearing, being joined by the Vice-Chairperson, Senator Herminia D. Dierking and Ways and Means Committee members Senators T. C. Ada, J. P. Aguon, E. P. Arriola, J. G. Bamba, A. C. Blaz, V. C. Pangelinan, D. L. G. Shimizu, and Speaker J. T. San Agustin, and Tourism and Transportation Committee members Senators T. V. C. Tanaka, D. F. Brooks, and F. E. Santos.

TESTIMONY

Testimony was taken simultaneously for Bill No. 1098 and for Bill No. 1097, because both bills required a detailed examination of the financial condition of the government of Guam.

The following Administration officials appeared in person and offered testimony on the financial condition of the government:

Mr. Carl Taitano, Special Assistant for Financial Affairs, Office of the Governor

Ms. Bernadette DeNorcey, Acting Director of Bureau of Budget and Management Research

Mr. Paul Leon Guerrero, Analyst, Bureau of Budget and Management Research,

Mr. Joseph Rivera, Analyst, Bureau of Budget and Management Research

Mr. John DeNorcey, Controller, Department of Administration

Mr. Tom Blaz, Deputy Director, Department of Agriculture.

Chairman Gutierrez began the hearing by noting that the hearing was being jointly conducted by the Committee on Ways and Means and the Committee on Tourism and Transportation. He then read a letter from the Governor transmitting Bill No. 1097. This letter addressed issues concerning Bill No. 1098 as well as Bill No. 1097. A copy of this letter is attached to this committee report.

The Chairman first called for testimony from the general public, or from groups that are not part of the government. No one testified in person. The **Chamber of Commerce** did submit written testimony on Bill No. 1098, which included a statement that they did not at this time have testimony on Bill No. 1097, but would submit some at a later date.

Much of the discussion during the July 13, 1994 public hearing concerned the provisions of Bill No. 1098. During the discussion, the interaction between the provisions of Bill No. 1098 and Bill No. 1097 was discussed, supposing that the two measures were both enacted into law.

Senator Pangelinan indicated that the Governor estimated revenues at \$540M for FY 1995, and that the estimated expenses for the Executive Branch is \$510M. However, the Executive Branch expenditures will, in fact, not be within the ceiling of \$510M. Senator Pangelinan pointed out that if Bill No. 1098 were enacted, that there would be a deficit budget, because there is no provision within the \$510M ceiling to pay the extra obligations authorized. The point was made that the real expenses would not be within the \$540M ceiling of total estimated revenues.

Chairman Gutierrez then inquired into the number of new employees hired within the government of Guam over the last three months, in order to estimate the aggravation on the cash flow of the government that is occurring due to new hires. Ms. DeNorcey did not have the number of new employees hired or the exact amount of the funds necessary to pay them, but promised the Committee that this information would be forthcoming.

Chairman Gutierrez then explained the cash situation with the government. The Governor asks for a certain funding level for the next fiscal year, however, it is not known with absolute certainty that that funding level will be achieved. If the cash flow is slow, and the funding level granted in the budget act is not being achieved, the Bureau of Budget and Management Research must slow down on allotment releases, so that the obligations of the government stay within the cash flow.

Senator Brooks said that there was no item in Bill No. 1097 to repay the loan, should Bill No. 1098 be passed into law.

Ms. Bernie DeNorcey said that it was estimated that \$39M would be coming in for Section 30 money, and that \$3M of that would be earmarked for debt service on the bonds authorized by Bill No. 1098. The specific language is not contained within Bill No. 1097.

Mr. John DeNorcey said that, looking briefly at Bill No. 1097, that he was unable to determine what amount is appropriated within that bill.

Senator Brooks asked for a breakdown of what would be appropriated, per agency, in Bill No. 1097.

Ms. Bernie DeNorcey indicated that there was a worksheet indicating what would "rollover" in the budget, per agency, including autonomous agencies. The worksheet handed out during the public hearing is attached to this committee report.

Chairman Gutierrez indicated that there will be a \$28M needed in debt service reflected in the budget bill, when it is reported out of the Committee.

Chairman Gutierrez asked why Section 30 funds were not set aside in Bill No. 1097, as it should be. The Chairman then explained to those present how the numbers were changed to reflect the same total, even though Section 30 funds were not reported separately as estimated revenue in Bill No. 1097.

Chairman Gutierrez pointed out that during an Oversight Hearing of the Committee on Ways and Means, held June 22, 1994, the Department of Administration and the Bureau of Budget and Management Research submitted an estimated revenue breakdown for the government of Guam for Fiscal Year 1995. That breakdown is attached. The breakdown indicates that the estimated revenues from the General Fund for Fiscal Year 1995 is \$540,164,800. The breakdown, however, from the Projected Revenues of June 22, 1994 is different from the breakdown contained in Bill No. 1097. A comparison of the two is as follows:

<u>Revenue Source</u>	<u>June 22, 1994 oversight</u>	<u>Bill No. 1097</u>
Total Income Taxes	\$ 319,328,100	\$ 319,328,100
Gross Receipt Taxes	155,367,450	155,367,450
Other Taxes	6,426,000	6,426,000
Section 30	49,000,000	not specified
Federal Contribution	3,857,700	39,857,700
Others (licenses and fees-departmental)	3,474,450	8,474,450
Use of money & property	1,414,350	1,414,350
Licenses, Fees and Permits	1,296,750	9,296,750
 TOTAL	 \$ 540,164,800	 \$ 540,164,800

Chairman Gutierrez asked those testifying what the process is to prepare a budget. He pointed out the difference between the amounts expected to be received in the various Revenue Sources as presented on June 22, 1994 and as stated within Bill No. 1097, the Governor's budget request for Fiscal Year 1995.

Chairman Gutierrez pointed out specifically that, although the amounts stated in Bill No. 1097 are changed in the Millions place in the numeral, that the last six digits of the numerals are identical, thereby both adding up to \$540,164,800. He asked how that could be, that it is not coincidental. He pointed out that it was impossible that the amounts were recalculated, but that simply the same total was used, and the numerals stated to add up to the total were manipulated to add up to the same total.

Chairman Gutierrez indicated that this is not the proper way to calculate Estimated Revenues for a budget. He pointed out that one starts with the amounts estimated to be received, per category, and then adds these amounts up to get a total. One does not start with a total, and then work backwards by filling in the numbers above in order to get the total.

Senator Bamba then inquired whether it was possible that the Other category of licenses and fees, which are departmental charges, would increase by \$8M for this next fiscal year. Mr. Paul Leon Guerrero of the Bureau of Budget and Management Research indicated that many agencies are holding public hearings, pursuant to the recent authority by law to increase their fees, and that the fees will bring in increased revenues.

Senator Shimizu then inquired into the Licenses, Fees and Permits category of estimated revenues. He asked when the draft of the estimated revenues were made, and Mr. Leon Guerrero responded that it was done approximately 30 days ago.

Senator Shimizu then inquired how it was possible to increase the receipts by \$8M. He asked whether there were instructions to increase this category by nine times, within the 30 days, and whether information, per agency, in the increase in specific fees was taken into account, based on the agencies' recent actions to increase fees.

Ms. DeNorcey indicated that the increase in fees was due only to the Guam Police Department and the Department of Agriculture, which were contained in Bill No. 1098 for approval by the Legislature. The other departments were not estimated.

Senator Shimizu asked whether there was any information showing that there will actually be an increase in fees of \$8M. Senator Shimizu asked if there was a worksheet showing the actual increase, and whether he could have a copy of them. He pointed out that the public hearings may be held on the increase of fees, but the actual increase in receipts would not be known, as the fees would not be in place.

Chairman Gutierrez indicated then that he would like to nail down the projected revenues, and that any further information on that subject should be forwarded to the Committee on Ways and Means. He also indicated that he wanted assurance that all of the requirements for expenditures were contained in the budget, as the amount needed for retiring the debt, or the debt service, was not contained in the bill.

Mr. Leon Guerrero said that the specific amounts do not need to be recognized in the budget bill, as long as there is sufficient revenue to pay the debt service.

Senator Shimizu indicated that he did not want to see "soft" figures in the budget, such as the inclusion of the round figure of \$1M for Children's Inpatient Unit of the Department of Mental Health, and another appropriation for Off-Island Residential Treatment.

Chairman Gutierrez indicated that he wanted especially to focus on estimated revenues. Senator Shimizu indicated that he also wanted to look into the expenditures.

Senator Shimizu asked who is authorized to make allotments to spend money in the government of Guam. Mr. John DeNorcey indicated that it is the Bureau of Budget and Management Research. Mr. Leon Guerrero added that it is the Director of that agency, specifically, with the responsibility. Senator Shimizu asked if it was the "front office" that decides. Senator Shimizu then inquired into the release of funds to for medical insurance for those retirees who are on Medicare.

Senator Dierking then inquired into what the budget for the Judicial Branch is right now. Ms. Bernie DeNorcey indicated that it was \$18M for FY 1994. Senator Dierking asked for the complete number and was furnished the number \$18,183,119. Senator Dierking pointed out that according to the message of the Governor accompanying Bill No. 1097, that to recompute the numbers, the real number contained in the worksheet for the ceiling for the Executive Branch is \$510,590,412, not \$510M as is stated in the letter. In rounding numbers, you would round the number up, not down. Since there is approximately \$600,000 additionally needed, taking into

account the Judicial Branch and the Executive Branch, and if Bill No. 1097 represents a balanced budget, where is the extra needed \$600,000 to come from? Ms. Bernie DeNorcey indicated that the budget for Public Defender was listed in the Executive Branch, and should not have been included, so the number would be under \$510M.

Since there were not more questions or comments at this time, Chairman Gutierrez indicated that the hearing was concluded.

COMMITTEE ACTION


The Committee on Ways and Means, after consideration of the testimony offered at the public hearing, decided to report Bill No. 1097 out, as introduced, which is identical to bill transmitted as the request of the Governor.

COMMITTEE RECOMMENDATION

The Committee on Ways and Means wishes to report out Bill 1097 to the full legislature to **do pass**, as introduced by the request of the Governor.

Bill No. 1097

Introduced by:


Committee on Ways and Means
At the request of the Governor

AN ACT TO PROVIDE APPROPRIATIONS FOR THE OPERATIONS
OF THE EXECUTIVE BRANCH OF THE GOVERNMENT OF GUAM
AND FOR OTHER PURPOSES FOR FISCAL YEAR 1995.

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

Part I.

Section 1. Estimated Revenues

I. GENERAL FUND REVENUES	AMOUNT
A. TAXES	
Income Taxes (Corporate and Individual)	\$319,328,100
Gross Receipts Tax	155,367,450
Others	6,426,000
TOTAL TAXES	\$481,121,550

B.	LICENSES, FEES AND PERMITS	\$ 9,296,750
C.	FEDERAL CONTRIBUTION	\$ 39,857,700
E.	USE OF MONEY AND PROPERTY	\$ 1,414,350
F.	OTHERS	\$ 8,474,450

TOTAL GENERAL FUND REVENUE	\$ 540,164,800
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II. SPECIAL FUND REVENUES (LOCAL)

A.	Abandoned Vehicle and Streetlight Fund	\$ 670,000
B.	Guam Community College (Non-Appropriated Fund)	542,100
C.	Guam Contractors License Board Fund	500,000
D.	Hospital Operation Fund	53,966,941
E.	Housing Revolving Fund	388,000
F.	Land Survey Revolving Fund	450,000
G.	Parks Fund	119,000
H.	Professional Engineers, Architects & Licensing Surveyors Fund	37,000
I.	Public Transit Fund (Fares)	250,000
J.	Public Utility Agency of Guam Operational Fund	14,700,000
K.	Special Surplus Property Fund	103,000
L.	Tourist Attraction Fund	15,400,000

TOTAL SPECIAL FUND REVENUE	87,126,041
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GRAND TOTAL	<u>\$ 627,290,841</u>
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PART II.

Section 1. The sum of Six Million Dollars (\$6,000,000) is appropriated from the General Fund to the University of Guam for the following programs in Fiscal Year 1995:

Merit Awards, Student Loans, Nurses Training, Professional and Technical Awards, Doctoral Fellowships, ROTC, Regents Scholarship, Marine Lab Graduates Assistance, Advanced High School Placement, Senior Citizens, Administration of all Student Financial Assistance Programs, Doc Sanchez Scholarship Program, and Political Status Education Coordinating Commission.

Section 2. The sum of Six Million Five Hundred Thousand Dollars (\$6,500,000) is appropriated from the Fiscal Year 1996 revenues of the General Fund to the Department of Education (Guam Public School System) as an advance appropriation to procure textbooks, workbooks and library books from local and off-island vendors for the School Year 1995-1996.

Section 3. The sum of One Hundred Eleven Thousand Eighty Five Dollars (\$111,085) is appropriated from the General Fund to the Guam State Council on Vocational Education to supplement federal funds and other operational requirements for Fiscal Year 1995.

Section 4. The sum of Thirty Three Million One Hundred Fifty Nine Thousand One Hundred Eighty Dollars (\$33,159,180) is appropriated from the General Fund to the Government of Guam Retirement Fund for the benefits of approximately Four Thousand Three Hundred Thirty Five (4,335) retirees:

- (a) All retirees shall receive :
 - (i) the Retiree group health, dental and life insurance premiums (to continue existing programs);
 - (ii) the Retiree life insurance subsidy (to continue existing programs);

- (b) Persons who have retired on or before September 30, 1994 shall receive:
- (i) the One Thousand Two Hundred Dollar (\$1,200) annuity benefits (to continue existing programs);
 - (ii) the One Thousand Five Hundred Dollar (\$1,500) supplemental annuity benefits (to continue existing programs);
 - (iii) the Seven Hundred Dollar (\$700) supplemental annuity benefits (to continue existing programs);
 - (iv) the Eight Hundred Thirty Eight Dollar (\$838) annuity benefits (to continue existing programs);
 - (v) the lump sum Cost of Living Allowance consisting of One Thousand Eight Hundred Dollars (\$1,800). As to those eligible retirees and survivors as of September 30, 1994, the lump sum payment shall be paid no later than December 1, 1994; and
- (c) to pay the Governor and Lieutenant Governor Pensions.
- (d) 4 GCA Section 8137.1 is repealed. The effective date of this Paragraph (d) is January 1, 1989.

Section 5. The sum of One Million Six Hundred Fifty Eight Thousand Eight Hundred Eighty Dollars (\$1,658,880) is appropriated from the General Fund to the Department of Administration Off-Island Residential Treatment Fund for Fiscal Year 1995 to pay authorized expenses to send persons under the jurisdiction of the Court for residential care arising from physical, mental or emotional handicaps or from severe emotional disturbance.

Section 6. The sum of Three Hundred Eighty Nine Thousand Eight Hundred Thirty Seven Dollars (\$389,837) is appropriated from the General Fund to the Department of Revenue and Taxation to fund the Fiscal Year 1995 operations of the division established by Section 16 of Public Law 21-137 for the purpose of collecting outstanding delinquent taxes.

Section 7. The sum of Sixty Thousand Dollars (\$60,000) is appropriated from the General Fund to the Office of Veterans Affairs to supplement operations in Fiscal Year 1995.

Section 8. The sum of Seventy Five Thousand Dollars (\$75,000) is appropriated from the General Fund to the Guam Election Commission to supplement operations in Fiscal Year 1995.

Section 9. The sum of Four Hundred Sixty Thousand Eight Hundred Dollars (\$460,800) is appropriated from the General Fund to the Agency for Human Resources Development to supplement federal funds for its Fiscal Year 1995 operations.

Section 10. The sum of Three Hundred Sixty Thousand Dollars (\$360,000) is appropriated from the General Fund to the Department of Mental Health and Substance Abuse for contractual expenses to operate the "Mary Clare Home" in Fiscal Year 1995.

Section 11. The sum of One Hundred Sixty Two Thousand Six Hundred Two Dollars (\$162,602) is appropriated from the General Fund to the Guam Public Library for purchase of books and subscriptions, and to match federal funds in Fiscal Year 1995.

Section 12. The sum of Two Hundred Fourteen Thousand Eight Hundred Forty One Dollars (\$214,841) is appropriated from the General Fund to the Guam Museum for operations in Fiscal Year 1995.

Section 13. The sum of One Million Six Hundred Nine Thousand Four Hundred Thirty Dollars (\$1,609,430) is appropriated from the General Fund to the Guam Mass Transit Authority, for operations in Fiscal Year 1995. Chapter II of the General Appropriation Act, Public Law 21-136, relative to General Fund appropriations for the operations of the Guam Mass Transit Authority is repealed.

Section 14. The sum of One Million Dollars (\$1,000,000) is appropriated from the General Fund to the Department of Mental Health and Substance Abuse for the operations and staffing of twenty-six (26) full time equivalency (FTE) positions of the Children's Inpatient Unit for Fiscal Year 1995.

Section 15. The sum of Four Hundred Sixty Thousand Eight Hundred Dollars (\$460,800) is appropriated from the General Fund to the Territorial Planning Council for its Fiscal Year 1995 operations.

Section 16. The sum of Eleven Million Five Hundred Thousand Dollars (\$11,500,000) is appropriated from the General Fund to the Department of Public Health and Social Services to supplement Fiscal Year 1995 funding requirements for the following programs:

(a)	Medically Indigent Program Payments	\$4,500,000
(b)	Public Assistance Program Payments	\$5,500,000
(c)	Division of Senior Citizens Service Providers Contractual Obligations	\$1,500,000

Section 17. The sum of One Hundred Fifteen Thousand Two Hundred Dollars (\$115,200) is appropriated from the General Fund to the Chamorro Language Commission to continue the operations of the Institute of Chamorro Language and Culture Program enacted in Public Law's 21-121 and 22-59 for Fiscal Year 1995.

Section 18. The sum of Four Hundred Fifty Thousand Dollars (\$450,000) is appropriated from the General Fund to the Chamorro Land Trust Commission for its Fiscal Year 1995 operations.

Section 19. Notwithstanding any other provision of law, the Chamorro Land Trust Commission may expend any money in any of its Funds to complete surveys and topographic surveys of all lands under the Commission's jurisdiction.

Section 20. The sum of One Million Dollars (\$1,000,000) is appropriated from the General Fund to the Department of Corrections for the operations of the Youth Correctional Facility in Fiscal Year 1995.

Section 21. Chapter II of the General Appropriation Act, Public Law 21-136, relative to appropriations for the operations of the Public Utility Agency of Guam, is amended to include the following:

"Section 1. (a) Estimated Revenues of the Public Utility Agency of Guam for Fiscal Year 1995 are as follows:

PUAG Revenues	\$14,700,000
General Fund Subsidy	<u>22,534,189</u>
Total	\$37,234,189

(b) Twenty Two Million Five Hundred Thirty Four Thousand One Hundred Eighty Nine Dollars (\$22,534,189) are appropriated from the General Fund to the Public Utility Agency of Guam Fund for the Fiscal Year 1995 operations of the Public Utility Agency of Guam."

Section 22. Chapter II of the General Appropriation Act, Public Law 21-136, relative to appropriations for the operations of the Guam Memorial Hospital Authority is amended to read:

"Section 1. (a) Estimated Revenues of the Guam Memorial Hospital Authority for FY 1995 are as follows:

Net Patient Revenues	\$46,093,360
Collection on Prior Years	
Patient Accounts Receivables	\$ 7,286,889
Other Operating Revenues	\$ 586,692
Non-Operating Revenues	-0-
General Fund subsidy	\$ 8,343,204
Total	\$62,310,145

(b) Eight Million Three Hundred Forty Three Thousand Two Hundred Four Dollars (\$8,343,204) are appropriated from the General Fund to the Hospital Operations Fund for Fiscal Year 1995 operations of the Guam Memorial Hospital Authority as designated in Section 2 below.

Section 2. Sixty Two Million Three Hundred Ten Thousand One Hundred Forty Five Dollars (\$62,310,145) are appropriated from the Hospital Operations Fund for the Fiscal Year 1995 operations of the Guam Memorial Hospital Authority."

Section 23. Section 5 of Public Law 22-112 is hereby amended to read:

"Section 5. Effective Dates. Section 2 of this act and subsections (a) and (b) of section 3 of this Act shall take effect on October 1, 1995. All other sections and subsections of this Act shall take effect on enactment."

Section 24. Section 5 of Chapter V of Public Law 21-136 is repealed.

Section 25. Subsection (i) of Section 3102 of Chapter 3, Title 17, Guam Code Annotated is amended to read:

"(i) Develop an annual budget to fund the Department's operations, to be submitted to the Legislature not later than July 30th of each fiscal year; within forty-five (45) days from the date of such submission, the Legislature may either approve or disapprove, in whole or in part, such budget, and if the Legislature does not act upon such budget within such period, the budget shall be deemed approved and appropriated from the General Fund. Any supplemental requirements shall also be submitted to the Legislature for appropriation."

Section 26. There are hereby appropriated such sums as are necessary from the Summer School Fund established pursuant to Section 6118 of Title 17 of the Guam Code Annotated to the Department of Education (Guam Public School System) to fund the operations of the 1995 Summer School Program.

Section 27. Chapter II of the General Appropriation Act, Public Law 21-136, relative to the Guam Environmental Protection Agency, within the pages 5 through 8, the headings of "SUMMARY" are eliminated and are amended to read:

"DIVISION

ADMINISTRATION"

Section 28. The appropriation made under Chapter II, Department of Labor, of the General Appropriation Act, Public Law 21-136, under the Division of Workers Compensation Commission for Labor Workers Compensation Fund, shall be deposited into the Workers' Compensation Fund.

Section 29. The appropriation made under Chapter II, Guam Community College, of the General Appropriation Act, Public Law 21-136, within the Occupational Educational Service for Tourism/Marketing under FY 1993 FED/OTHER APPROVED column is appropriated from the Tourist Attraction Fund to the Guam Community College Non-Appropriated Fund.

Section 30. Notwithstanding any other provision of law, appropriations made in this Act and in appropriations made pursuant to the Three Year Economic Plan of Section 7 of Chapter V of Public Law 21-136 may be expended for the payment of prior years' obligations. Notice of each proposed expenditure shall be delivered to the Speaker of the Legislature by the Governor no less than seven (7) days before the effective date of the expenditure.

Section 31. Notwithstanding any other provision of law, for Fiscal Year 1995 the Governor is authorized to transfer from one appropriation of the Executive Branch to another appropriation of the Executive Branch; provided, that not more than Ten Percent (10%) of the funds of any department or agency shall be transferred out of the department or agency; provided, further, that notice of each transfer and justification therefor are delivered by the end of the month in which the transfer takes place to the Speaker of the Legislature.

Section 32. Section 5(b)(2) of Public Law 22-41 is amended to read:

"(2) For Fiscal Year 1995, each appropriation pursuant to item (1) of this Subsection for the Fiscal Year 1994 budget and contained in Chapter II of this Act shall lapse and be of no other force or effect on midnight of September 30, 1994. Appropriations in Chapter II of this Act, which are appropriated for Fiscal Year 1994, are further reduced by four percent (4%), and will be available for expenditure in Fiscal Year 1995 (October 1, 1994 to September 30, 1995)."

Section 33. Subsection (c) of Section 7 of Chapter V (Administrative Provisions of Public Law 21-136) as amended by Section 6 of Public Law 22-41 is repealed.

Section 34. The sum of Twelve Million Thirty Six Thousand Eight Hundred Six Dollars (\$12,036,806) is appropriated from the General Fund to the Department of Education (Guam Public School System) to supplement its operations in Fiscal Year 1995.

Section 35. The sum of Thirty Five Thousand Dollars (\$35,000) is appropriated from the General Fund to the Office of the Chief Medical Examiner to supplement operations in Fiscal Year 1995.

Section 36. The sum of Two Hundred Fifty Thousand Dollars (\$250,000) is appropriated from the General Fund to the Civil Service Commission to supplement operations in Fiscal Year 1995.

Section 37. The sum of Three Million Eight Hundred One Thousand One Hundred Eighty Four Dollars (\$3,801,184) is appropriated from the General Fund to the Department of Youth Affairs for its Fiscal Year 1995 operations. Chapter II of the General Appropriation Act, Public Law 21-136, relative to General Fund appropriations for the operations of the Department of Youth Affairs is repealed.

Section 38. Notwithstanding any provision of law, Departments are authorized to expend funds appropriated, pursuant to the Three Year Economic Plan, and this Act, for matching requirements of new federal programs.



Territory of Guam
Territorio de Guam

OFFICE OF THE GOVERNOR
OFISINAN I MAGA'LAHI
AGANA, GUAM 96910 U.S.A.

FDU1030

RECEIVED
OFFICE OF THE SPEAKER
DATE: 7/19/94
TIME: 5:10 PM
RECD BY: Vera 176

JUL 21 1994

The Honorable Joe T. San Agustin
Speaker
Twenty second Guam Legislature
155 Hesler Street
Agana, Guam 96910

Dear Mr. Speaker:

Transmitted herewith are our budget recommendations for fiscal year 1995, as well as a measure to authorize the acquisition of \$45 million for the purposes of immediately paying off all income tax refunds due the residents of Guam this year.

Revenues for FY'95 are projected at \$540 million. The Executive Branch budget herein recommended is one of approximately \$510 million. We are holding a reserve of some \$30 million for the operations of the Guam Legislature and the Superior Court.

This budget is balanced, but leaves no room for further appropriations on the part of the Legislature. I urge the Legislature, should it entertain this budget, not to consider any further appropriations whatsoever, unless a new funding source is created or a de-appropriation of some budget item occurs simultaneously.

You will note that this budget includes two notable increases from last year. The first is a \$12 million increase for our schools. Schools are our number one priority and we are determined to provide them with the financial support they require. It is also important that we meet the three year average mandated by law for our school system. The other is an increase of some \$11 million to Public Health and Social Services and a \$1 million increase for Corrections. The increase to PH & SS is needed to offset increased levels in Public Assistance and the Medically Indigent Program, as well as service to senior Citizens. It is interesting to note that the increases in these categories are in part driven by Compact Impact The



Commonwealth Now!

issues and are in fact reimbursable by the federal government. We are pushing for just such reimbursement and need your support on this matter.

Included herewith is also a measure authorizing the borrowing of \$45 million to immediately pay off any outstanding income tax refunds due. We believe this to be necessary immediately for a variety of reasons. First, this money belongs to the people and should be given to them. Secondly, the infusion of \$45 million in cash to people will have a positive economic effect as this money will undoubtedly circulate in the economy, stimulating spending and economic activity. Third, the loan will actually save the government money. We must pay late interest of between 6% and 7% on these funds, while debt service may be in the range of 4% or 5%. Finally, the Department of Revenue and Taxation estimates that there are some \$47 million in accounts receivables that have not been collected, that are in fact collectable. Certain commercial and business and individual taxpayers have been paying slowly due to their own cashflow difficulties, and arrangements are being made for payment schedules that will ease the impact of paying these taxes.

This is not objectionable. We can't squeeze blood, and so long as good faith efforts are made to pay these debts owed the government, we can be as understanding of the cashflow problems of others as we desire them to be of our own. The point is that as these delinquent funds come in, they will ease our cash problems considerably and help off-set any debt service required for this loan. All in all, this is a practical and realistic approach that meets the needs of our people to get their refunds this year -- which I believe to be critical -- in a manner that not only does not hurt our cashflow position. Rather, it helps our cash position.

This measure will also allow for the use of currently restricted funds, the TAF and the Territorial Highway Fund, to allow us to get through the current cash crunch. I need not point out that previous administrations have always had this ability.

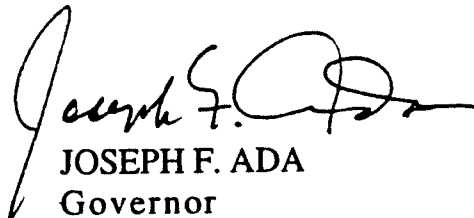
The combined effect of these measures will be to ease considerably the strain on current cash, and to make it far easier to get through the balance of the fiscal year with reduced difficulties.

The Honorable Joe T. San Agustin
Page 3

In many ways, things are looking up. As you know, the last two months have seen revenues staging a comeback. This is only logical, as tourism has been rebounding since the beginning of the year. As this rebound in our economy continues, pressure will continue to be eased. Even recent developments with respect to the strength in the value of the Yen versus the Dollar, are, from a tourism perspective, beneficial, as they reduce the cost of travel to Guam from Japan and hence increase our desirability as a destination.

As a final note, we have included in this budget a full subsidy for PUAG. We will be transmitting to the Legislature shortly a measure to grant PUAG full autonomy. To the extent that the Legislature acts favorably on this measure, and to the extent the Legislature desires, this can result in a reduction of subsidy to PUAG and a reduction in the General Fund budget.

Sincerely,



JOSEPH F. ADA
Governor



BUREAU OF BUDGET & MANAGEMENT RESEARCH

OFFICE OF THE GOVERNOR, Post Office Box 2950, Agana, Guam 96910

RECEIVED

OFFICE OF THE SPEAKER

DATE: 7/28/94

TIME: 8:45am

RECD BY: Terry

JOSEPH F. ADA
GOVERNOR

FRANK F. BLAS
I.T. GOVERNOR

GIOVANNI T. SGAMBELLUR
DIRECTOR

JUL 28 1994

Honorable Joe T. San Agustin
Speaker
Twenty Second Guam Legislature
P.O. Box CB-1
Agana, Guam 96910

To: W/M Cnt
J

Dear Mr. Speaker:

Pursuant to Section 1903 of Chapter X of the Government Code of Guam,
transmitted herewith is the Fiscal Note on Bill No. 1097.

Should I be of any assistance, please contact my office.

Sincerely,

BERNADETTE F. DeNORCEY
Acting

Attachment

cc: Chairman, Ways and Means

received
8/1/94
L+M



FISCAL NOTE
BUREAU OF BUDGET AND MANAGEMENT RESEARCH

BBMR-F7

Bill No. 1097
 Amendatory Bill YES NO

Date Received 07/07/94
 Date Reviewed 07/12/94

Department/Agency Affected: Government of Guam
 Department/Agency Head: Various
 Total FY Appropriation to Date: \$ 9.2 Million

Bill Title (preamble) : An Act to provide appropriations for the operations of the Executive Branch of the Government of Guam and for other purposes for Fiscal Year 1995.

Change in Law: Bill amends Public Law's 21-136, 22-112, 22-41

Bill's Impact on Present Program Funding:
 Increase Decrease Reallocation No Change

Bill is for: Operations Capital Improvement Other (Various Purposes)

FINANCIAL/PROGRAM IMPACT

PROGRAM CATEGORY	ESTIMATED SINGLE-YEAR FUND REQUIREMENTS (Per Bill)		TOTAL
	GENERAL FUND	OTHER	
<u>Government-Wide/Executive Branch</u>	\$ <u>510,590,412</u>	<u>- 0 -</u>	\$ <u>510,590,412</u>

FUND	ESTIMATED MULTI-YEAR FUND REQUIREMENTS (Per Bill)					
	1st	2nd	3rd	4th	5th	TOTAL
GENERAL FUND	\$ <u>510,590,412</u>	<u>N/A</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
OTHER	<u>- 0 -</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
TOTAL	\$ <u>510,590,412</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>

FUNDS ADEQUATE TO COVER INTENT OF THE BILL? YES/NO-IF NO, ADD'L AMOUNT REQUIRED \$ Yes
 AGENCY/PERSON/DATE CONTACTED: Various Respective Agencies over June and July 1994

FUND	ESTIMATED POTENTIAL MULTI-YEAR REVENUES					TOTAL
	1st	2nd	3rd	4th	5th	
GENERAL FUND	<u>N/A</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
OTHER	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
TOTAL	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>

ANALYST Rajiv Sood DATE 07/12/94 DIRECTOR GIOVANNI T. SGAMBELLURI DATE 7/12/94

FOOTNOTES:

Territory Of Guam
General Fund
Projected Revenues
Fiscal Year 1995

DRAFT

INCOME TAXES:	Projected FY 1995
Individual	\$60,178,650
Corporation	86,203,950
Withholding	216,916,350
Interest & Penalties	2,229,150
Provision for refunds	(46,200,000)
TOTAL INCOME TAXES	319,328,100

BUSINESS PRIVILEGE TAXES:	
Gross Receipts Taxes:	
Wholesale	2,942,100
Retail	55,045,200
Service	34,888,350
Rentals, Real Property	8,555,400
Rentals, Other	4,398,450
Profession	3,219,300
Commission	3,769,500
Insurance Premium	9,866,850
Contracting	27,487,950
Amusement	422,100
Interest Earned	460,950
Other	2,527,350
Interest & penalties	1,783,950
Sub-Total, Gross Receipts Taxes	155,367,450
Admissions Tax	197,400
Use Tax	1,345,050
Tobacco Tax	639,450
Alcoholic Beverage Taxes	3,143,700
Document Tax	1,100,400
TOTAL BUSINESS PRIVILEGE TAXES	161,793,450

FEDERAL SOURCES:	
Section 30	49,000,000
Immigration fees	951,300
National School Lunch / Breakfast	2,352,000
SAFA	0
Indirect Cost Recovery	554,400
TOTAL FEDERAL SOURCES	52,857,700

USE OF MONEY & PROPERTY	1,414,350
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LICENSES, FEES & PERMITS	1,296,750
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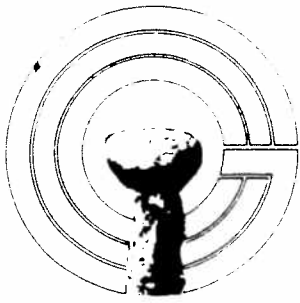
DEPARTMENT CHARGES:	
Police & Corrections	367,500
Public Works	131,250
Public Health	576,450
Education	1,420,650
Agriculture	21,000
Commerce	93,450
Passport	530,250
Other	333,900
TOTAL DEPARTMENT CHARGES	3,474,450

TOTAL REVENUES	\$540,164,800
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Department	Item	FY1994 Appropriation	4% Reduction	FY1995 Budget Ceiling	Increase/ Decrease	FY Re
Administration	Operations	\$11,409,486				
Agriculture	Operations	4,089,268	(\$456,380)	\$10,953,118		\$10,953,118
Bureau of Budget	Operations	1,515,265	(60,611)	1,454,654		3,900
Bureau of Planning	Operations	1,159,863	(48,388)	1,113,584		1,450
35 Chamro Langage Comm	Operations	151,220	(6,049)	145,171		1,111
Chief Medical Examiner	Operations	321,586	(12,884)	308,734		141
36 Civil Defense	Operations	301,012	(12,040)	288,972	35,000	341
Civil Service Commission	Operations	1,181,632	(47,265)	1,134,367	250,000	281
Comm on Self Determin	Operations	1,000,355	(40,014)	960,341		1,381
Commerce	Operations	4,786,048	(191,442)	4,594,606		960
Corrections	Operations	14,131,456	(565,258)	13,566,198		4,594
Gum Ed Tel Com.(KGTF)	Operations	570,242	(22,810)	547,432		13,566
Gum Comm. College	Operations	11,956,503	(478,380)	11,481,123		547
Gum Council on Arts	Operations	799,288	(31,871)	767,297		11,481
Gum Election Comm	Operations	557,182	(22,286)	534,876		767
Gum Environmt Protect	Operations	1,833,663	(73,355)	1,760,508		534
Gum Fire	Operations	18,228,853	(729,158)	17,499,795		1,760
Gum Health Planning	Operations	355,045	(14,202)	340,843		17,499
Gum Police	Operations	25,550,583	(1,022,024)	24,528,569		340
Labor	Operations	4,461,628	(178,465)	4,283,163		24,528
Land Management	Operations	4,810,939	(184,438)	4,626,501		4,283
Law	Operations	8,658,966	(346,359)	8,312,607		4,626
Library	Operations	1,431,031	(57,241)	1,373,790		8,312
Mayors Council	Operations	4,057,067	(162,284)	3,894,813		1,373
Mayors Council	Comm. Dev Fund	2,906,723	(116,269)	2,790,454		3,894
Mental Health	Operations	5,431,539	(217,282)	5,214,277		2,790
Military Affairs	Operations	523,359	(20,834)	502,425		5,214
Museum	Operations	82,920	(3,717)	79,203		502
Office of the Governor	Operations	5,362,554	(214,502)	5,148,052		79
Parks & Recreation	Operations	5,863,212	(234,528)	5,628,684		5,148
Public Defender	Operations	2,351,485	(94,059)	2,257,406		5,628
Public Health	Operations	49,303,849	(1,972,154)	47,331,695		2,257
Public Works	Operations	32,844,890	(1,313,785)	31,530,902		47,331
Revenue & Taxation	Operations	11,589,378	(463,575)	11,125,803		31,530
Veterans Affairs	Operations	157,980	(6,319)	151,661		11,125
Vocational Rehabilitation	Operations	1,148,134	(45,845)	1,100,289		151
37 Youth Affairs	Operations	4,753,836	(190,153)	4,563,683	(762,499)	1,100
3 St. Council on Voc. Ed.	Operations	115,714	(4,629)	111,085		3,801
Subtotal		\$245,544,978	(\$9,821,799)	\$235,723,179	(\$477,499)	\$235,245,680
Other						232,966,712
5 Administration	Off-Is. Res. Trmnt	1,728,000	(69,120)	1,658,880	0	1,658,880
6 Revenue & Taxation	Tax Coll. Task Force	406,080	(16,243)	389,837	0	389,837
9 A H R D	Ops. Supplement	480,000	(19,200)	460,800	0	460,800
10 Mental Health	Mary Clare Home	375,000	(15,000)	360,000	0	360,000
11 Library	Pur. of books/subs	169,377	(6,775)	162,602	0	162,602
12 Museum	10 FTEs & Ops.	223,783	(8,952)	214,841	0	214,841
Gum Energy Office	Office Space Lease	67,000	(2,704)	64,296	(64,896)	0
15 Terr. Planning Council	Operations	480,000	(19,200)	460,800	0	460,800
17 Chamro Langage Comm	Auth. 2 FTE's	120,000	(4,800)	115,200	0	115,200
Public Health	Manasika/Manhoben	65,000	(2,600)	62,400	(62,400)	0
Continuing Appropriatns	Bond Payments	22,184,976	(887,399)	21,297,577	(10,939,963)	10,367,614
18 Public Health	MIP/Public Ast/Sen Ctn	0	0	0	11,500,000	11,500,000
14 Mental Health	Children's Inprtnl Unit	0	0	0	1,000,000	1,000,000
18 Chamro Land Trust Com	Operations	0	0	0	450,000	450,000
8 Guam Election Comm	Supp. Operations	0	0	0	75,000	75,000
7 Veterans Affairs	Supp. Operations	0	0	0	60,000	60,000
20 Corrections	Youth Corr Facility	0	0	0	1,000,000	1,000,000
Subtotal		\$26,299,826	(\$1,051,893)	\$25,247,933	\$3,917,721	\$26,265,654
Total		\$271,844,804	(\$10,873,792)	\$260,971,012	\$2,540,222	\$263,511,234
Autonomous Agencies						
Education	Operations	138,366,531	(5,534,861)	132,831,670		132,831,670
13 Guam Mass Transit Auth	Operations	1,884,823	(75,383)	1,809,439	(200,000)	1,609,439
22 Guam Memorial Hospital	Operations	10,774,171	(430,967)	10,343,204	(2,000,000)	8,343,204
Guam Teachers Corp	Operations	1,693,918	(67,757)	1,626,161		1,626,161
21 Pblc Utly Agency Guam	Operations	23,473,114	(938,825)	22,534,189	0	22,534,189
University of Guam	Operations	30,144,102	(1,205,784)	28,938,338		28,938,338
4 Retirement Fund	Supp. Benefits	\$29,659,180	(\$1,186,367)	\$28,472,813	\$4,686,367	\$33,159,180
34 Education	Additional Operations	0	0	6,000,000	6,038,806	12,038,806
1 University of Guam	Studet Fin/DOC Schz	0	0	0	6,000,000	6,000,000
Subtotal		\$235,985,839	(\$9,439,834)	\$232,556,005	\$14,523,173	\$247,079,178
Grand Total		\$0	\$0	\$493,527,017	\$17,063,395	\$510,590,412

2 NOTE: DOE Textbooks - Advance from FY96 Revenues (\$6,500,000)

Pub Def. < 2,257,000
 Ex. B. > 508,333,000
 540,164,800
 546,738,000



GUAM CHAMBER OF COMMERCE
PARTNERS IN PROGRESS

173 Aspinall Avenue, Ada Plaza Center, Suite 102 • P.O. Box 283 Agana, GU 96910 • TEL: 472-6311/8001 • FAX: 472-6202

July 13, 1994

Senator Carl T.C. Gutierrez
Chairman
Committee on Ways & Means
22nd Guam Legislature
155 Hesler Street
Agana, Guam 96910

Senator John Perez Aguon
Chairman
Committee on Tourism and Transportation
22nd Guam Legislature
155 Hesler Street
Agana, Guam 96910

Dear Chairman Gutierrez, Chairman Aguon and Members of the Committees:

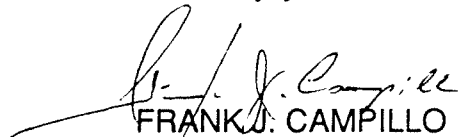
This morning, the Board of Directors of the Guam Chamber of Commerce reviewed Bill Nos. 1097 and 1098 and arrived at the following conclusions for purposes of today's public hearing:

1. With respect to Bill No. 1097, we do not have enough information regarding the proposed Fiscal Year 1995 Budget to provide the committees with our recommendations. We will submit our testimony on this bill at a later date.
2. In regards to Bill No. 1098, the Guam Chamber of Commerce takes the following positions:
 - a. We oppose the issuance of general obligation notes for the purpose of repaying tax refunds as the cost of issuance and the interest payable on the notes outweigh the 6-7% interest due on the tax refunds. While it is true that these refunds belong to the people, it is also true that these notes will be paid by the very same people.

Testimony on Bill Nos. 1097 & 1098
July 13, 1994
page 2

- b. We are opposed to using moneys from the Tourist Attraction Fund (TAF) and the Territorial Highway Fund (THF) to cover current expenses of the Government. Our opposition is based on the fact that there is not a suggested mechanism to trim down government expenditures neither one to fully repay these unencumbered balances of the TAF and the THF. We must learn to live within available financial resources and trim down expenditures. Let's not mortgage the future of our children who will ultimately pay for these loans and rampant expenditures.
- c. We will forward our views regarding the proposed fees of the Guam Police Department and the Department of Agriculture at a later date.

Sincerely yours,


FRANK J. CAMPILLO
Chairman of the Board

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Pacific Sunday NewsCapture your share of Guam's
Dynamic growth market.Advertise in the
Pacific Daily News**GOLF ROUNDUP****Lohr feels the pressure**

WILLIAMSBURG, Va. — Mark McCumber and Justin Leonard accomplished something Saturday that hadn't been done by anybody in the first two rounds of the Anheuser-Busch Golf Classic: They put some serious heat on Bob Lohr.

Lohr, who opened the event at Kingsmill Golf Club with a 10-under-par 61 and followed that by setting a 36-hole scoring record for the event, slipped to a 73 on Saturday, capped by a double bogey on the 18th hole.

That knocked Lohr out of the lead and installed McCumber, the 1987 Anheuser-Busch winner, in the front-runner's spot heading into Sunday's final round of the \$1.1 million event.

McCumber charged from seven shots off the pace with a 6-under 65, leaving him at 12-under 201 — one shot ahead of Lohr — after three tours of the 6,797-yard layout along the James River.



Leonard, the 1994 NCAA champion from Texas who is appearing in just his third event as a pro, had a 67 and was at 203.

"I'll just have to get it done a different way now," said Lohr, who had enjoyed three-shot leads after 18 and 36 holes.

"If he had shot 5-under today, he would have put himself out of reach," McCumber said of Lohr. "But it's hard to do that. Hey, I can't believe he backed up a 61 with a 68. That's remarkable."

Four tied in LPGA

SYLVANIA, Ohio — Tammie Green, Lauri Merten, Sherri Turner and Meg Mallon shared the lead at 5-under-par 137 Saturday after two rounds of the \$500,000 LPGA Jamie Farr Toledo Classic.

Kim Williams, who was shot last Saturday night while entering a drug store in Niles, Ohio, shot a 72 and is one of six golfers at 140. Williams was among the leaders in the Youngstown-Warren Classic last week, but was unable to play the final two rounds after being injured.

She is playing with a bullet lodged in her rib cage. The bul-

let remained deeply imbedded in her body after hitting Williams in the neck and traveling through her shoulder.

Colbert breaks away

MASON, Ohio — Jim Colbert strung together five consecutive birdies en route to a 7-under-par 64 to break away from the field after Saturday's second round of the \$850,000 Kroger Senior Classic.

His 12-under-130 equaled the tournament record for 36 holes and gave him a six-stroke lead over Ray Floyd, Bob Murphy, Rocky Thompson, DeWitt Weaver and Kermit Zarley, the first-round leader.

"I wish it was over," Colbert said. "But those guys know it's not over and I do, too. I expect to play well tomorrow, but I won't make any excuses. I'll put it all out there and hope it's good enough."

Colbert, who started the day at 5-under, birdied No. 2, then Nos. 7-11, and 13, 15 and 18 to tie the tournament record, which Zarley had matched Friday.

The Associated Press

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**NOTICE OF JOINT PUBLIC HEARING**Committee on Ways & Means
Carl T. C. Gutierrez, Chairperson
andCommittee on Tourism
& TransportationJohn P. Aguon, Chairperson
22nd Guam Legislature9:00 a.m., Wednesday, July 13, 1994
Legislative Public Hearing Room,
Pacific Arcade, AganaBILL NO. 1097 AN ACT TO PROVIDE APPROPRIATION
FOR THE OPERATIONS OF THE EXECUTIVE BRANCH
OF THE GOVERNMENT OF GUAM AND FOR OTHER
PURPOSES FOR FISCAL YEAR 1995.BILL NO. 1098 AN ACT TO ADD \$22430 TO TITLE 5 O
THE GUAM CODE ANNOTATED TO AUTHORIZE THE
ISSUANCE OF GENERAL OBLIGATION TAX AN
REVENUE ANTICIPATION NOTES OF THE
GOVERNMENT OF GUAM AND FOR OTHER PURPOSES

The public is invited to express their views.

GSA**GENERAL
SERVICES
AGENCY**
GOVERNMENT OF GUAM**BID INVITATION**

BID NO.: GSA-040-94

FOR: PLANTS/TREES

OPENING

DATE: 07/26/94 TIME: 10:00 A.M.

PLACE: General Services Agency, Piti, Guam

INTERESTED PARTY MAY PICK UP BID
FORMS/SPECIFICATIONS AT SAID PLACELORENZO C. AFLAGUE
Chief Procurement Officer

FISCAL NOTE
BUREAU OF BUDGET AND MANAGEMENT RESEARCH

BMR-F7

Bill No. 1097
Amendatory Bill

YES NO

Date Received 07/07/94
Date Reviewed 07/12/94

Department/Agency Affected: Government of Guam

Department/Agency Head: Various

Total FY Appropriation to Date: \$ 9.2 Million

Bill Title (preamble) : An Act to provide appropriations for the operations of the Executive Branch of the Government of Guam and for other purposes for Fiscal Year 1995.

Change in Law: Bill amends Public Law's 21-136, 22-112, 22-41

Bill's Impact on Present Program Funding:
 Increase Decrease Reallocation No Change

Bill is for: Operations Capital Improvement Other (Various Purposes)

FINANCIAL/PROGRAM IMPACT

PROGRAM CATEGORY	ESTIMATED SINGLE-YEAR FUND REQUIREMENTS (Per Bill)		TOTAL
	GENERAL FUND	OTHER	
<u>Government-Wide/Executive Branch</u>	\$ <u>510,590,412</u>	<u>- 0 -</u>	\$ <u>510,590,412</u>

FUND	ESTIMATED MULTI-YEAR FUND REQUIREMENTS (Per Bill)						TOTAL
	1st	2nd	3rd	4th	5th		
GENERAL FUND	\$ <u>510,590,412</u>	<u>N/A</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
OTHER	<u>- 0 -</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
TOTAL	\$ <u>510,590,412</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>

FUNDS ADEQUATE TO COVER INTENT OF THE BILL? YES/NO-IF NO, ADD'L AMOUNT REQUIRED \$ Yes
AGENCY/PERSON/DATE CONTACTED: Various Respective / Agencies over June / and July 1994

FUND	ESTIMATED POTENTIAL MULTI-YEAR REVENUES					TOTAL
	1st	2nd	3rd	4th	5th	
GENERAL FUND	<u>N/A</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
OTHER	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
TOTAL	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>

ANALYST Rajiv Sood DATE 07/12/94 DIRECTOR GIOVANNI T. SGAMBELLURI DATE 7/12/94

FOOTNOTES: