



Territory of Guam
Territorio Guam

OFFICE OF THE GOVERNOR
I PINNAN I MAGA LAH
AGANA, GUAM 96910

RECEIVED
OFFICE OF THE SPEAKER
DATE: 3/3/94
TIME: 5:00
RECD BY: [Signature]

MAR 03 1994

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

A handwritten signature in cursive script, appearing to read "Joe T. San Agustin".

Dear Mr. Speaker:

Transmitted herewith is Bill No. 500 which I have signed into law this date as
Public Law 22-78.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Joseph F. Ada".
JOSEPH F. ADA
Governor of Guam

220554

Attachment

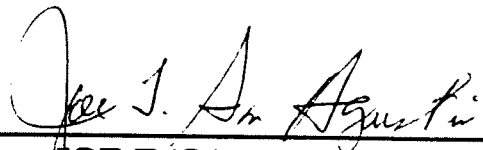


Commonwealth Now!

TWENTY-SECOND GUAM LEGISLATURE
1994 (SECOND) Regular Session

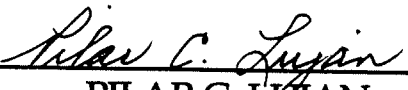
CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR

This is to certify that Substitute Bill No. 500 (LS), "AN ACT TO RENUMBER §20304 OF TITLE 5, GUAM CODE ANNOTATED, TO §20305 AND TO ADD A NEW §20304 TO SAID TITLE TO ESTABLISH A CONTINUING EDUCATION PROGRAM FOR ACCOUNTANTS IN THE GOVERNMENT OF GUAM TO MAINTAIN THEIR CURRENCY OF KNOWLEDGE AND EFFECTIVENESS IN THEIR JOB FUNCTIONS," was on the 18th day of February, 1994, duly and regularly passed.



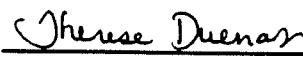
JOE T. SAN AGUSTIN
Speaker

Attested:



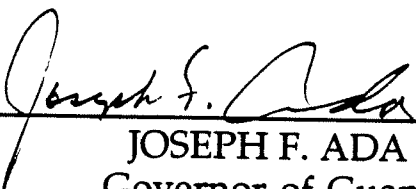
PILAR C. LUJAN
Senator and Legislative Secretary

This Act was received by the Governor this 23rd day of February,
1994, at 3:57 o'clock P.M.



Assistant Staff Officer
Governor's Office

APPROVED:



JOSEPH F. ADA
Governor of Guam

Date: March 3, 1994

Public Law No. 22-78

TWENTY-SECOND GUAM LEGISLATURE
1993 (FIRST) Regular Session

Bill No. 500 (LS)

As substituted on the floor.

Introduced by:

H. D. Dierking
T. S. Nelson
C. T. C. Gutierrez
D. L. G. Shimizu
J. P. Aguon
T. C. Ada
E. P. Arriola
M. Z. Bordallo
P. C. Lujan
V. C. Pangelinan
D. Parkinson
E. D. Reyes
J. T. San Agustin
F. E. Santos
J. G. Bamba
A. C. Blaz
D. F. Brooks
F. P. Camacho
M. D. A. Manibusan
T. V. C. Tanaka
A. R. Unpingco

AN ACT TO RENUMBER §20304 OF TITLE 5, GUAM CODE ANNOTATED, TO §20305 AND TO ADD A NEW §20304 TO SAID TITLE TO ESTABLISH A CONTINUING EDUCATION PROGRAM FOR ACCOUNTANTS IN THE GOVERNMENT OF GUAM TO MAINTAIN THEIR CURRENCY OF KNOWLEDGE AND EFFECTIVENESS IN THEIR JOB FUNCTIONS.

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

2 **Section 1. Legislative findings.** The Legislature finds that accountants
3 within the government of Guam require continuing education in order to
4 ensure that they update themselves on the ever-changing methodology,
5 technology, and techniques of their specialized field. Continuing education
6 requirements for accountants have been established by the Comptroller
7 General of the United States, the American Institute of Certified Public
8 Accountants, the Institute of Management Accountants, and other certifying
9 organizations. Accountants who have been certified are required to maintain
10 their proficiency or lose their certification.

11 **Section 2.** §20304, Title 5, Guam Code Annotated, is hereby
12 renumbered to §20305, and a new §20304 is hereby added to said title to read
13 as follows:

14 **"§20304. Continuing education for accountants.** Directors of
15 the various government of Guam departments and line agencies and
16 boards of directors of autonomous instrumentalities and public
17 corporations shall budget for and finance the annual cost of
18 continuing education for accounting personnel employed by such
19 departments and instrumentalities, including accountants, auditors,
20 comptrollers, accounting teachers and accounting personnel of the
21 Department of Revenue and Taxation. If such an accountant is
22 certified, then the continuing education requirements of the
23 certifying organization will determine such accountant's continuing
24 education program. First priority for training will be given to such
25 personnel. If an accountant is not certified, then the continuing
26 education requirements established for Federal accounting and

1 auditor employees will be used to set the continuing education
2 requirement for such an accountant."

TWENTY-SECOND GUAM LEGISLATURE

1994 (SECOND) Regular Session

Date: 2/18/94

VOTING SHEET (AS REVISED)

Bill No. 500

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.	✓			
BORDALLO, Madeleine Z.	✓			
BROOKS, Doris F.		✓		
CAMACHO, Felix P.	✓			
DIERKING, Herminia D.	✓			
GUTIERREZ, Carl T. C.	✓			
LUJAN, Pilar C.	✓			
MANIBUSAN, Marilyn D. A.	✓			
NELSON, Ted S.	✓			
PANGELINAN, Vicente C.	✓			
PARKINSON, Don	✓			
REYES, Edward D.	✓			
SAN AGUSTIN, Joe T.	✓			
SANTOS, Francis E.	✓			
SHIMIZU, David L. G.	✓			
TANAKA, Thomas V. C.	✓			
UNPINGCO, Antonio R.		✓		

TOTAL 19 2 0 _____



SENATOR TED S. NELSON

CHAIRMAN

Committee on General Governmental Operations and Micronesian Affairs
Twenty-Second Guam Legislature

February 9, 1994

VICE CHAIRPERSON:
Committee on Housing
and Community
Developments

MEMBER:

Committee on Rules

Committee on Ways
and Means

Committee on Water
Utilities, Electronic
Communications

Committee on Economic-
Agricultural Development,
and Insurance

Honorable Joe T. San Agustin
Speaker
22nd Guam Legislature
155 Hessler Street
Agana, Guam 96910

Dear Mr. Speaker:

The Committee on General Governmental Operations and Micronesian Affairs, to which was referred **Bill No. 500** (*An Act to renumber Subsection 20304 to 20305 and to add a new Subsection 20304 to Title 5 of the Guam Code Annotated to establish a continuing Education Program for accountants in the Government of Guam, to maintain currency of knowledge and effectiveness in their job functions*) has had the same consideration and now wishes to report back the same with the recommendation **to do pass**.

The Committee votes are as follows:

To do pass	<u>7</u>
Not to pass	<u>0</u>
To report out only	<u>0</u>
To place in inactive file	<u>0</u>

A copy of the Committee Report and other pertinent documents are enclosed for your reference and information.

Sincerely,



TED S. NELSON

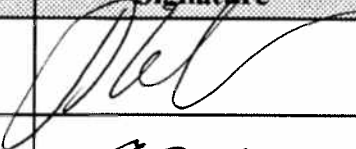



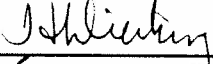
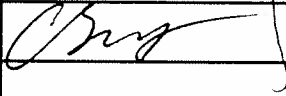
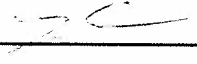
Enclosures

**COMMITTEE ON GENERAL GOVERNMENTAL OPERATIONS
AND MICRONESIAN AFFAIRS**
Twenty-Second Guam Legislature

VOTE SHEET ON BILL NO. 500

An Act to renumber Subsection 20304 to 20305 and to add a new Subsection 20304 to Title 5 of the Guam Code Annotated to establish a continuing Education Program for accountants in the Government of Guam, to maintain currency of knowledge and effectiveness in their job functions.

RECOMMENDATION TO DO PASS

Committee Members	Signature	To Do Pass	Not to Pass	To Report Out Only	To Place in the Inactive File
Senator Ted S. Nelson <i>Chairman</i>		✓			
Senator Edward D. Reyes <i>Vice-Chairman</i>		✓			
Speaker Joe T. San Agustin <i>Ex-Officio Member</i>		✓			
Senator Thomas C. Ada		✓			
Senator J. George Bamba					
Senator Anthony C. Blaz					
Senator Felix P. Camacho					
Senator Herminia D. Dierking		✓			
Senator Carl T.C. Gutierrez		✓			
Senator Marilyn D.A. Manibusan					
Senator Vicente C. Pangelinan		✓			
Senator Francis E. Santos					
Senator Thomas V.C. Tanaka					

TWENTY-SECOND GUAM LEGISLATURE
1993 (FIRST) Regular Session

Bill No. 500
Introduced by:

H. D. Dierking

AN ACT TO RENUMBER SUB-SECTION 20304 TO
20305 AND ADD A NEW SUB-SECTION 20304 TO
TITLE 5 OF THE GUAM CODE ANNOTATED TO
ESTABLISH A CONTINUING EDUCATION PROGRAM
FOR ACCOUNTANTS IN THE GOVERNMENT OF GUAM,
TO MAINTAIN CURRENCY OF KNOWLEDGE AND
EFFECTIVENESS IN THEIR JOB FUNCTIONS.

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

2 Section 1. Legislative Findings: The Guam Legislature finds that
3 accountants within the Government of Guam require continuing
4 education in order to ensure that they update themselves on the ever
5 changing methodology, as well as technology, and techniques of their
6 specialized field. Continuing education requirements for accountants
7 have been established by the Comptroller General of the United States,
8 the American Institute of Certified Public Accountants (AICPA), the
9 Institute of Management Accountants (IMA), and other certifying
10 organizations. Accountants who have been certified are required to
11 maintain their proficiency or lose their certification.
12

13
14 Section 2. Sub-section 20304 of Title 5 of the Guam Code
15 Annotated is hereby renumbered to read as "Sub-section 20305", and a
16 new Sub-section 20304 is hereby added to read as follows:
17

18 "Sub-section 20304. Directors of the various Government of Guam
19 Agencies/Offices and Boards of the Independent Agencies shall budget
20 for and finance the annual cost of continuing education for accounting
21 field personnel employed by the Government of Guam i.e. Accountants,
22 Auditors, Comptrollers, Accounting Faculty, and Professional Accounting
23 Revenue and Taxation personnel. If the accountant is certified, then the
24 continuing education requirements of the certifying organization will
25 determine the continuing education program. If certification is required
26 for the position, certification will be financed by the Government of
27 Guam, and first priority for training will be given to such personnel. If
28 the accountant is not certified, then the continuing education
29 requirements established for federal accounting/auditor employees will
30 determine the continuing education."

**COMMITTEE ON GENERAL GOVERNMENTAL OPERATIONS
AND MICRONESIAN AFFAIRS**
TWENTY-SECOND GUAM LEGISLATURE
155 Hesler Street, Agana, Guam 96910

COMMITTEE REPORT

ON

BILL NO. 500

“An Act to renumber Subsection 20304 to 20305 and to add a new Subsection 20304 to Title 5 of the Guam Code Annotated to establish a continuing Education Program for accountants in the Government of Guam, to maintain currency of knowledge and effectiveness in their job functions.”

COMMITTEE MEMBERS

Chairman: Ted S. Nelson

Vice Chairman: Edward D. Reyes

Ex-Officio Member: Speaker Joe T. San Agustin

Thomas C. Ada
Herminia D. Dierking
Carl T. C. Gutierrez
Vicente C. Pangelinan
Francis E. Santos

J. George Bamba
Anthony C. Blaz
Felix P. Camacho
Marilyn D.A. Manibusan
Thomas V.C. Tanaka

**PROFILE ON
Bill No. 500**

Official Title: "An Act to renumber Subsection 20304 to 20305 and to add a new Subsection 20304 to Title 5 of the Guam Code Annotated to establish a continuing Education Program for accountants in the Government of Guam, to maintain currency of knowledge and effectiveness in their job functions."

Date Introduced: June 2, 1993

Main Sponsor(s): H.D. Dierking

Referral: Committee on General Governmental Operations and Micronesian Affairs on June 4, 1993.

Public Hearing: 9:30 a.m. Tuesday, October 19, 1993 in the Public Hearing Room Guam Legislature Temporary Bldg., Agana.

COMMITTEE REPORT

BILL NO. 500

“An Act to renumber Subsection 20304 to 20305 and to add a new Subsection 20304 to Title 5 of the Guam Code Annotated to establish a continuing Education Program for accountants in the Government of Guam, to maintain currency of knowledge and effectiveness in their job functions.”

I. BACKGROUND

The committee conducted a Public Hearing October 19, 1993 in the Public Hearing Room of the Guam Legislature Temporary Building in Agana.

Committee Members Present: Sen. Ted S. Nelson, Chairman
Sen. E.D. Reyes, Vice Chairman
Sen. T.V.C. Tanaka
Sen. V.C. Pangelinan
Sen. T.C. Ada
Sen. J.G. Bamba
Sen. A.C. Blaz

Other Senators Present: Sen. F.P. Camacho

II. SUMMARY OF TESTIMONY

Testifying: **John M. Phillips**
Testimony submitted by: **Jesus U. Torres**
Mark J. Heath

Mr. John M. Phillips provided the committee with written testimony in support of the intent of Bill 500. Mr. Phillips is a CPA and currently employed as a faculty member at the University of Guam, teaching Accounting. Additionally, Mr. Phillips is a member of various local accounting organizations, such as the AGA, GSCPA, GAA, the AICPA, IMA and the AAA. In his testimony, Mr. Phillips mentions that the Government of Guam needs to have its accountants

maintain their proficiency because by the year 2000, the AICPA is requiring CPA candidates to have 150 college credits to enter the profession. In conclusion, Mr. Phillips urged the committee to act favorably on Bill No 500.

Jesus U. Torres, Chairman of the UOG Board of Regents was not present at the hearing, however submitted written testimony in support of Bill No. 500. In his testimony, Mr. Torres mentioned that the Association of Government Accountants and other associations of Governmental Accountants now requiring CPE credits in order to maintain a membership in the organization. Additionally, the cost for these courses averages \$90.00 per 8-hour course, and under policy this expense must be paid by the individual. In this regard, Mr. Torres is of the opinion that as it relates to the individual's employment, this expense should be covered by the individual's employer.

Mark J. Heath, also not present at the hearing, provided the committee with written testimony on behalf of the Guam Chapter of the Association of Governmental Accountants. Mr. Heath stated that with the increasing complexity of the accounting work required for our government, there is a strong need for a well-trained cadre of accounting staff that can provide the accountability that the citizens demand. With those comments, Mr. Heath recommended the committee to favorably consider Bill No. 500 for passage.

III. FINDINGS

The committee finds that Bill No. 500 is a very important piece of legislation as well as one that is much needed. The committee agrees that the government accountants must always be up to par with the ever changing techniques and methodology of accounting in order to maintain accountability within our government.

IV. RECOMMENDATIONS

The Committee on General Governmental Operations and Micronesian Affairs hereby reports out Bill No. 500 to the Twenty-Second Guam Legislature with the recommendation **TO DO PASS Bill No. 500.**

My name is John M. Phillips, a voting resident of Santa Rita. I am a CPA and currently employed as a faculty member at the University of Guam, teaching Accounting. I am a member of all the local accounting organizations, i.e. AGA, GSCPA and GAA in addition to the AICPA, IMA, and AAA.

A degree in Accounting provides only the basic knowledge to enter the accounting profession. To successfully practice the profession one must continue to learn. After the year 2000, the AICPA is requiring CPA candidates to have 150 college credits to enter the profession. With the current advances in information, approximately half of what one learns in college is obsolete within five years after graduation. Accounting in particular is a social/economic science that changes constantly. The profession of accounting is constantly promulgating either new accounting standards affecting business and government, or revising existing standards.

The Professional Accounting organizations have recognized the requirement for the members to remain current and have instituted required continuing education programs. These programs call for members to complete 30 or 40 hours of education annually.

The Government of Guam needs to have its accountants maintain their proficiency. To leave this to the individual accountant is unfair. First there is a cost to remain current. If the individual has to pay the cost, this is, in fact, a pay cut that non-professional employees are not required to take. Second there is the time factor, the Professional would have to take leave or use his personal time for this. Again costs that are not required of the non-professional. To not have the accountants maintain their proficiency is detrimental to the Government of Guam.

If one had a physical asset of the same value as an accountant no one would even question the maintenance costs. The normal rental price of an asset is 10% of the value. If the salary of the accountant was multiplied by 10 then the equivalent value would be obtained. A \$30,000 annual salary would mean that the asset was worth \$300,000. A 1% maintenance costs to maintain the asset would be \$3,000 annually and no one would question the costs.

Unfortunately there is a need to REQUIRE some accountants to maintain their proficiency. Some individuals, as the Professional organizations know, will stop their education as soon as they become professionals. This is detrimental to all. Therefore in order to maintain the minimum level of knowledge required currently, a system of continuing education was implemented. GovGuam must adopt a system of continuing education as the means of maintaining current the knowledges of its accounting field personnel.



John M. Phillips
210 San Pedro
Santa Rita, Guam 96915



BOARD OF REGENTS
University of Guam

UOG STATION - MANGILAO, GUAM 96923

October 18, 1993

The Honorable Ted S. Nelson
Chairman, Committee on General Governmental Operations
and Micronesian Affairs
Twenty-second Guam Legislature
155 Hesler Street
Agana, Guam 96910

Dear Senator Nelson:

Thank you for allowing me, as Chairman of the Board of Regents, to testify on Bill 500.

The University of Guam has several accountants on its payroll. Some of these have various types of certification, CPA, CMA, CIA, and others. The professional groups which grant these certifications have adopted the policy that a certain number of Continuing Professional Education units must be attained each year for the individual to maintain his/her certification. In addition, the Association of Governmental Accountants and other associations of Governmental Accountants are now requiring CPE credits in order to maintain a membership in the organization. The requirements range from 20 to 40 contact hours per year. The cost for these courses averages \$90 per 8-hour course. Under current policy this expense must be paid by the individual. It appears this expense relates to the employment of the individual and rightly should be an expense covered by the individual's employer.

Therefore, we are in support of Bill 500.

Sincerely,


J. U. Torres
Chairman

**Association of Government Accountants
Guam Chapter**

October 18, 1993

Ted S. Nelson
Chairman, Committee on General Governmental Operations and
Micronesian Affairs
Twenty-Second Guam Legislature
Agana, Gu 96923


Dear Senator Nelson,

The Guam chapter of the Association of Government Accountants strongly supports Bill No. 500 and thanks you and your committee for the initiative in this important legislation. The chapter has provided opportunities for continuing professional education for many years for our 100 plus members and other members of our community that wish to further their education and better their skills.

With the increasing complexity of the accounting work required for our government, there is a strong need for a well-trained cadre of accounting staff that can provide the accountability that our citizens demand. Additionally we must ensure that the funds of the government are spent wisely in these times of fiscal constraints.

For these reasons our chapter endorse Bill 500 and hopes that Guam will soon see the benefits that this bill provides.

Sincerely,



Mark J. Heath

JUN 2 '93

TWENTY-SECOND GUAM LEGISLATURE
1993 (FIRST) Regular SessionBill No. 500 (LS)
Introduced by:H. D. Dierking 

AN ACT TO RENUMBER SUB-SECTION 20304 TO 20305 AND ADD A NEW SUB-SECTION 20304 TO TITLE 5 OF THE GUAM CODE ANNOTATED TO ESTABLISH A CONTINUING EDUCATION PROGRAM FOR ACCOUNTANTS IN THE GOVERNMENT OF GUAM, TO MAINTAIN CURRENCY OF KNOWLEDGE AND EFFECTIVENESS IN THEIR JOB FUNCTIONS.

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